

**FILED**

MAR 14 2012

1 Department of Real Estate  
2 320 W. 4<sup>TH</sup> Street, Suite 350  
3 Los Angeles, CA 90013-1105

4 Telephone: (213) 576-6982

DEPARTMENT OF REAL ESTATE  
BY: [Signature]

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of	)	
	)	No. H-37146 LA
12 CHASE CAPITAL GROUP INC.; and	)	L-2011070291
13 KOUROSH KHATIBLOU, individually	)	
and as designated officer of	)	<u>STIPULATION</u>
14 Chase Capital Group Inc.; and	)	<u>AND</u>
15 <u>JAROD LEE CHASE,</u>	)	<u>AGREEMENT</u>
	)	
16 Respondents.	)	

17  
18 It is hereby stipulated by and between Respondent JAROD LEE CHASE,  
19 (sometimes referred to as "Respondent"), and the Complainant, acting by and through Elliott  
20 Mac Lennan, Counsel for the Department of Real Estate, as follows for the purpose of settling  
21 and disposing of the Accusation filed on March 22, 2011, in this matter:

22 1. All issues which were to be contested and all evidence which was to be  
23 presented by Complainant and Respondent at a formal hearing on the Accusation, which hearing  
24 was to be held in accordance with the provisions of the Administrative Procedure Act ("APA"),  
25 shall instead and in place thereof be submitted solely on the basis of the provisions of this  
26 Stipulation and Agreement ("Stipulation").

27 2. Respondent has received, read and understands the Statement to Respondent,

1 the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate  
2 in this proceeding.

3           3. Respondent filed a Notice of Defense pursuant to Section 11506 of the  
4 Government Code for the purpose of requesting a hearing on the allegations in the Accusation.  
5 Respondent hereby freely and voluntarily withdraws said Notice of Defense. Respondent  
6 acknowledges that he understands that by withdrawing said Notice of Defense he thereby waives  
7 his right to require the Commissioner to prove the allegations in the Accusation at a contested  
8 hearing held in accordance with the provisions of the APA and that he will waive other rights  
9 afforded to him in connection with the hearing such as the right to present evidence in his  
10 defense the right to cross-examine witnesses.

11           4. This Stipulation is based on the allegations contained in the Accusation. In the  
12 interest of expedience and economy Respondent chooses not to contest these allegations but to  
13 remain silent and understands that, as a result thereof, these allegations, without being admitted  
14 or denied, will serve as a prima facie basis for the disciplinary action stipulated to herein. The  
15 Real Estate Commissioner shall not be required to provide further evidence to prove said  
16 allegations.

17           5. This Stipulation is made for the purpose of reaching an agreed disposition of  
18 this proceeding and is expressly limited to this proceeding and any other proceeding or case in  
19 which the Department of Real Estate ("Department"), or another licensing agency of this state,  
20 another state or if the federal government is involved, and otherwise shall not be admissible in  
21 any other criminal or civil proceeding.

22           6. It is understood by the parties that the Real Estate Commissioner may adopt  
23 this Stipulation as her Decision in this matter thereby imposing the penalty and sanctions on  
24 Respondent's real estate license and license rights as set forth in the below "Order". In the event  
25 that the Commissioner in his discretion does not adopt the Stipulation, the Stipulation shall be  
26 void and of no effect and Respondent shall retain the right to a hearing and proceeding on the  
27 Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver

1 made herein.

2 7. The Order or any subsequent Order of the Real Estate Commissioner made  
3 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further  
4 administrative or civil proceedings by the Department of Real Estate with respect to any matters  
5 which were not specifically alleged to be causes for accusation in this proceeding.

6 DETERMINATION OF ISSUES

7 By reason of the foregoing, it is stipulated and agreed that the following  
8 determination of issues shall be made:

9 I.

10 The conduct of JAROD LEE CHASE, as described in Paragraph 4, above, is in  
11 violation of Section 10177(g) and is a basis for discipline of Respondent's license and license  
12 rights pursuant to said Section 10177(g).

13 ORDER

14 WHEREFORE, THE FOLLOWING ORDER is hereby made:

15 I.

16 The real estate salesperson license of Respondent JAROD LEE CHASE under the  
17 Real Estate Law is revoked; provided, however, a restricted real estate salesperson license shall  
18 be issued to Respondent, pursuant to Section 10156.5 of the Business and Professions Code, if  
19 Respondent:

20 Makes application therefor and pays to the Department of Real Estate the  
21 appropriate fee for the restricted license within ninety (90) days from the effective date of this  
22 Décision. The restricted license issued to Respondent shall be subject to all of the provisions of  
23 Section 10156.7 of the Code and the following limitations, conditions and restrictions imposed  
24 under authority of Section 10156.6 of that Code.

25 1. The restricted license issued to Respondent may be suspended prior to hearing  
26 by Order of the Real Estate Commissioner in the event of Respondent's conviction or plea of  
27

1 nolo contendere to a crime which is substantially related to Respondent's fitness or capacity as a  
2 real estate licensee.

3 2. The restricted license issued to Respondent may be suspended prior to hearing  
4 by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that  
5 Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands  
6 Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted  
7 license.

8 3. Respondent shall not be eligible to apply for the issuance of an unrestricted  
9 real estate license nor for the removal of any of the conditions, limitations or restrictions of a  
10 restricted license until two (2) years has elapsed from the effective date of the issuance of the  
11 restricted license.

12 4. Respondent shall submit with any application for license under an employing  
13 broker, or any application for transfer to a new employing broker, a statement signed by the  
14 prospective employing real estate broker on a form approved by the Department of Real Estate  
15 which shall certify:

16 (a) That the employing broker has read the Decision of the Commissioner  
17 which granted the right to a restricted license; and

18 (b) That the employing broker will exercise close supervision over the  
19 performance by the restricted licensee relating to activities for which a real  
20 estate license is required.

21 5. Respondent shall, within nine (9) months from the effective date of this  
22 Decision, present evidence satisfactory to the Real Estate Commissioner that Respondent has,  
23 since the most recent issuance of an original or renewal real estate license, taken and successfully  
24 completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate  
25 Law for renewal of a real estate license. If Respondent fails to satisfy this condition, the  
26 Commissioner may order the suspension of the restricted license until Respondent presents such  
27 evidence. The Commissioner shall afford Respondent the opportunity for a hearing pursuant to

1 the Administrative Procedure Act to present such evidence.

2                   6. Respondent shall within six (6) months from the effective date of the Decision  
3 herein, take and pass the Professional Responsibility Examination administered by the  
4 Department including the payment of the appropriate examination fee. If Respondent fails to  
5 satisfy this condition, the Commissioner may order suspension of Respondent's license until  
6 Respondent passes the examination.

7                   7. As a further condition for the Commissioner to enter into this Stipulation,  
8 Respondent shall provide evidence satisfactory to the Real Estate Commissioner that Respondent  
9 has either repaid to Elvia A. \$5,750, or otherwise satisfied Elvia A. If Respondent fails to  
10 provide such evidence to the Commissioner within six (6) months from the effective date of the  
11 Decision, the Commissioner may order suspension of Respondent's license until Respondent  
12 satisfies this condition.

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DATED: 1-19-12

ELI  
ELLIOTT MAC LENNAN, Counsel for  
the Department of Real Estate

1 \* \* \*

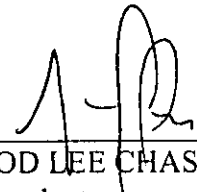
2 EXECUTION OF THE STIPULATION

3 I have read the Stipulation and Agreement. Its terms are understood by me and  
4 are agreeable and acceptable to me. I understand that I am waiving rights given to me by the  
5 California Administrative Procedure Act (including but not limited to Sections 11506, 11508,  
6 11509 and 11513 of the Government Code), and I willingly, intelligently and voluntarily waive  
7 those rights, including the right of requiring the Commissioner to prove the allegations in the  
8 Accusation at a hearing at which I would have the right to cross-examine witnesses against me  
9 and to present evidence in defense and mitigation of the charges.

10 FACSIMILE

11 Respondent can signify acceptance and approval of the terms and conditions of  
12 this Stipulation by faxing a copy of its signature page, as actually signed by Respondent, to the  
13 Department at the following facsimile number: Elliott Mac Lennan at (213) 576-6917.  
14 Respondent agree, acknowledge and understand that by electronically sending to the Department  
15 a fax copy of Respondent' actual signature as they appear on the Stipulation, that receipt of the  
16 faxed copy by the Department shall be as binding on Respondent as if the Department had  
17 received the original signed Stipulation.

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19  
20 DATED: 1/19/12

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JAROD LEE CHASE,  
Respondent

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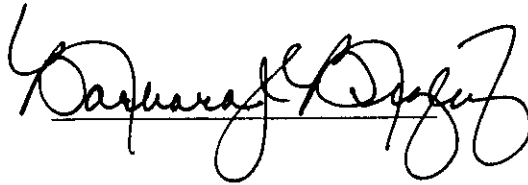
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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to  
Respondent JAROD LEE CHASE and shall become effective at 12 o'clock noon on  
April 3, 2012.

IT IS SO ORDERED 2/27, 2012.

BARBARA J. BIGBY  
Acting Real Estate Commissioner



*Sachs*

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**FILED**

MAR 14 2012

DEPARTMENT OF REAL ESTATE  
BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\*\*\*

In the Matter of the Accusation of	)	
	)	
<u>CHASE CAPITAL GROUP INC.</u> ; and	)	No. H-37146 LA
KOUROSH KHATIBLOU, individually	)	
and as designated officer of	)	
Chase Capital Group Inc.; and	)	
JAROD LEE CHASE,	)	
	)	
Respondents.	)	
	)	
	)	

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On March 22, 2011, an Accusation was filed in this matter against Respondent  
CHASE CAPITAL GROUP INC.

On January 18, 2012, Respondent petitioned the Commissioner to voluntarily  
surrender its real estate broker license rights pursuant to Section 10100.2 of the Business and  
Professions Code.



1 IT IS HEREBY ORDERED that CHASE CAPITAL GROUP INC.'s petition for  
2 voluntary surrender of its real estate broker license and/or license rights are accepted as of the  
3 effective date of this Order as set forth below, based upon the understanding and agreement  
4 expressed in Respondent's Declaration dated January 18, 2012. Respondents' license  
5 certificate, pocket card and any branch office license certificate shall be sent to the below listed  
6 address so that they reach the Department on or before the effective date of this Order:  
7

8 Department of Real Estate  
9 Atten: Licensing Flag Section  
10 P.O. Box 187000  
11 Sacramento, CA 95818-7000

12 This Order shall become effective at 12 o'clock noon on

13 April 3, 2012.

14 DATED: 2/27, 2012

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16 BARBARA J. BIGBY  
17 Acting Real Estate Commissioner

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EXHIBIT "A"

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

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In the Matter of the Accusation of	)	
	)	
<u>CHASE CAPITAL GROUP INC.</u> ; and	)	No. H-37146 LA
KOUROSH KHATIBLOU, individually	)	
and as designated officer of	)	
Chase Capital Group Inc.; and	)	
JAROD LEE CHASE.;	)	
	)	
Respondents.	)	
	)	
	)	

DECLARATION

My name is KOUROSH KHATIBLOU and I am the designated officer of CHASE CAPITAL GROUP INC. which is licensed as a real estate broker and/or has license rights with respect to said licenses. I am acting on behalf of and am authorized and empowered to sign this declaration on behalf of CHASE CAPITAL GROUP INC.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedures Act (Sections 11400 et seq., of the Government Code) CHASE CAPITAL GROUP INC.. wishes to voluntarily surrender its real estate license issued by the

1 Department of Real Estate ("Department"), pursuant to Business and Professions Code Section  
2 10100.2.

3 I understand that CHASE CAPITAL GROUP INC., by so voluntarily  
4 surrendering its license, can only have it reinstated in accordance with the provisions of Section  
5 11522 of the Government Code. I also understand that by so voluntarily surrendering its  
6 license rights, CHASE CAPITAL GROUP INC. agrees to the following:

7 The filing of this Declaration shall be deemed as CHASE CAPITAL GROUP  
8 INC.'s petition for voluntary surrender. It shall also be deemed to be an understanding and  
9 agreement by CHASE CAPITAL GROUP INC. that, it waives all rights it has to require the  
10 Commissioner to prove the allegations contained in the Accusation ("Accusation") filed in this  
11 matter at a hearing held in accordance with the provisions of the Administrative Procedures Act  
12 (Government Code Sections 11400 et seq.), and that it also waives other rights afforded to it in  
13 connection with the hearing such as the right to discovery, the right to present evidence in  
14 defense of the allegations in the Accusation and the right to cross examine witnesses.

15 I further agree on behalf of CHASE CAPITAL GROUP INC. that upon  
16 acceptance by the Commissioner, as evidenced by an appropriate order, all affidavits and all  
17 relevant evidence obtained by the Department in this matter prior to the Commissioner's  
18 acceptance, and all allegations contained in the Accusation filed in the Department Case No. H-  
19 37146 LA, may be considered by the Department to be true and correct for the purpose of  
20 deciding whether or not to grant reinstatement of CHASE CAPITAL GROUP INC.'s license  
21 pursuant to Government Code Section 11522.

22 This Declaration is not an admission by CHASE CAPITAL GROUP INC.. as to  
23 the allegations in the Accusation. This Declaration is made for the purpose of reaching a  
24 resolution of allegations contained in the DRE Case number H-37146 LA, and is expressly  
25 limited to this proceeding and any other proceeding or case in which the Department of Real  
26

27

1 Estate is a party and shall not otherwise be admissible or relied upon by any third parties for any  
2 purpose.

3 I further agree on behalf of CHASE CAPITAL GROUP INC. to pay the  
4 Commissioner's reasonable cost for the audit which led to this action. In calculating the amount  
5 of the Commissioner's reasonable cost, the Commissioner may use the estimated average  
6 hourly salary for all persons performing audits of real estate brokers, and shall include an  
7 allocation for travel time to and from the auditor's place of work. CHASE CAPITAL GROUP  
8 INC. will pay such cost within 60 days of receiving an invoice from the Commissioner detailing  
9 the activities performed during the audit and the amount of time spent performing those  
10 activities.  
11

12 I am aware that if CHASE CAPITAL GROUP INC. petitions for reinstatement  
13 in the future, that payment of the audit costs will be a condition of reinstatement.  
14

15 I declare under penalty of perjury under the laws of the State of California that  
16 the above is true and correct and that I am acting freely and voluntarily on behalf of CHASE  
17 CAPITAL GROUP INC. to surrender its licenses and all license rights attached thereto.  
18

19  1/12/2012  
20 Los Angeles, California


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25 BY: KOUROSH KHATIBLOU  
26 Designated Officer of  
27 CHASE CAPITAL GROUP INC.

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**FILED**

MAR 14 2012

DEPARTMENT OF REAL ESTATE  
BY: \_\_\_\_\_



BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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In the Matter of the Accusation of	)	
	)	
CHASE CAPITAL GROUP INC.; and	)	No. H-37146 LA
<u>KOUROSH KHATIBLOU</u> , individually	)	
and as designated officer of	)	
Chase Capital Group Inc.; and	)	
JAROD LEE CHASE,	)	
	)	
Respondents.	)	
	)	
	)	

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On August 29, 2011, an Accusation was filed in this matter against Respondent KOUROSH KHATIBLOU.

On January 18, 2012, Respondent petitioned the Commissioner to voluntarily surrender his real estate broker license rights pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent KOUROSH KHATIBLOU's petition for voluntary surrender of his real estate broker license rights is accepted as of the effective date of

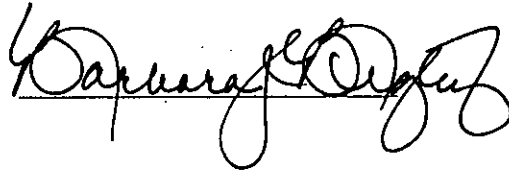
1 this Order as set forth below, based upon the understanding and agreement expressed in  
2 Respondent's Declaration dated December 7, 2011, (attached as Exhibit "A" hereto).  
3 Respondent's license certificate, pocket card and any branch office license certificate shall be sent  
4 to the below listed address so that they reach the Department on or before the effective date of this  
5 Order:

6  
7 Department of Real Estate  
8 Atten: Licensing Flag Section  
9 P.O. Box 187000  
Sacramento, CA 95818-7000

10 This Order shall become effective at 12 o'clock noon on April 3, 2012.

11  
12 DATED: 2/27, 2012

13 BARBARA J. BIGBY  
14 Acting Real Estate Commissioner

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EXHIBIT "A"

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\*\*\*

In the Matter of the Accusation of	)	
	)	
CHASE CAPITAL GROUP INC.; and	)	No. H-37146 LA
<u>KOUROSH KHATIBLOU</u> , individually	)	
and as designated officer of	)	
Chase Capital Group Inc.; and	)	
JAROD LEE CHASE;	)	
	)	
Respondents.	)	
	)	
	)	

DECLARATION

My name is KOUROSH KHATIBLOU and I am currently licensed as a real estate broker and/or have license rights with respect to said license. In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Government Code), I wish to voluntarily surrender my real estate license rights issued by the Department of Real Estate ("Department"), pursuant to Business and Professions Code Section 10100.2.

///

1 I understand that by so voluntarily surrendering my license rights, I may be  
2 relicensed as a broker or as a salesperson by petitioning for reinstatement pursuant to Section  
3 11522 of the Government Code. I also understand that by so voluntarily surrendering my  
4 license(s), I agree to the following:  
5

6 1. The filing of this Declaration shall be deemed as my petition for voluntary  
7 surrender.

8 2. It shall also be deemed to be an understanding and agreement by me that I  
9 waive all rights I have to require the Commissioner to prove the allegations contained in the  
10 Accusation ("Accusation") filed in this matter at a hearing held in accordance with the  
11 provisions of the Administrative Procedure Act (Government Code Sections 11400 et seq.), and  
12 that I also waive other rights afforded to me in connection with the hearing such as the right to  
13 discovery, the right to present evidence in defense of the allegations in the Accusation and the  
14 right to cross-examine witnesses.  
15

16 3. I further agree that upon acceptance by the Commissioner, as evidenced by an  
17 appropriate order, all affidavits and all relevant evidence obtained by the Department in this  
18 matter prior to the Commissioner's acceptance, and all allegations contained in the Accusation  
19 filed in the Department Case No. H-37146 LA, with respect to me may be considered by the  
20 Department to be true and correct for the purpose of deciding whether to grant relicensure or  
21 reinstatement pursuant to Government Code Section 11522.  
22

23 4. I further agree on behalf of CHASE CAPITAL GROUP INC. to pay the  
24 Commissioner's reasonable cost for the audit which led to this action. In calculating the amount  
25 of the Commissioner's reasonable cost, the Commissioner may use the estimated average  
26  
27




1 hourly salary for all persons performing audits of real estate brokers, and shall include an  
2 allocation for travel time to and from the auditor's place of work. I will pay such cost within 60  
3 days of receiving an invoice from the Commissioner detailing the activities performed during  
4 the audit and the amount of time spent performing those activities.

5 I am aware that if I petition for reinstatement in the future, that payment of the  
6 audit costs will be a condition of reinstatement.

7  
8 5. This Declaration is not an admission by KOUROSH KHATIBLOU as to the  
9 allegations in the Accusation. This Declaration is made for the purpose of reaching a resolution  
10 of allegations contained in the DRE Case number H-37146 LA, and is expressly limited to this  
11 proceeding and any other proceeding or case in which the Department of Real Estate is a party  
12 and shall not otherwise be admissible or relied upon by any third parties for any purpose.

13  
14 6. I freely and voluntarily surrender all my licenses and license rights under the  
15 Real Estate Law.

16 I declare under penalty of perjury under the laws of the State of California that  
17 the above is true and correct and that this declaration was executed on January 18, 2012, at Los  
18 Angeles, California.

19  
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22 \_\_\_\_\_  
23 KOUROSH KHATIBLOU  
24 1/18/2012

MAR 22 2011

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

DEPARTMENT OF REAL ESTATE  
BY: *[Signature]*

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

7  
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )  
12 CHASE CAPITAL GROUP INC.; and )  
13 KOUROSH KHATIBLOU, individually )  
14 and as designated officer of )  
15 Chase Capital Group Inc.; and )  
16 JAROD LEE CHASE, )

No. H-37146 LA

ACCUSATION

Respondents. )

17 The Complainant, Maria Suarez, a Deputy Real Estate  
18 Commissioner of the State of California, for cause of Accusation  
19 against CHASE CAPITAL GROUP INC., KOUROSH KHATIBLOU, individually  
20 and as designated officer of Chase Capital Group Inc. and JAROD  
21 LEE CHASE, alleges as follows:

22  
23 1.

24 The Complainant, Maria Suarez, acting in her official  
25 capacity as a Deputy Real Estate Commissioner of the State of  
26 California, makes this Accusation.

27 ///

1 2.

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

5 3.

6 License Status

7 A. CHASE CAPITAL GROUP INC. ("CCGI"). At all times  
8 mentioned, Respondent CCGI was licensed or had license rights  
9 issued by the Department of Real Estate ("Department") as a real  
10 estate broker. On May 26, 2006, CCGI was originally licensed as  
11 a corporate real estate broker. At all times mentioned herein,  
12 Respondent CCGI was authorized to act by and through Respondent  
13 KOUROSH KHATIBLOU as CCGI's broker designated pursuant to  
14 Business and Professions Code (hereinafter "Code") Sections  
15 10159.2 and 10211 to be responsible for ensuring CCGI's  
16 compliance with the Real Estate Law. CCGI's broker license  
17 expired on May 26, 2010.

18 B. KOUROSH KHATIBLOU ("KHATIBLOU"). At all times  
19 mentioned, KHATIBLOU was licensed or had license rights issued by  
20 the Department as a real estate broker. On April 18, 2006,  
21 KHATIBLOU was originally licensed as a real estate broker.

22 C. CCGI and KHATIBLOU conducted activities requiring a  
23 real estate license and an approved advance fee agreement from  
24 the Department without possessing the latter.

25 D. JAROD LEE CHASE ("JAROD CHASE"). At all times  
26 mentioned, JAROD CHASE was licensed or had license rights issued  
27 by the Department as a real estate salesperson. On September 10,

1 2007, JAROD CHASE was originally licensed as a real estate  
2 salesperson. JAROD CHASE is the nephew of KHATIBLOU.

3 Brokerage

4 4.

5 At all times mentioned, in the City of Anaheim, County  
6 of Orange, CCGI and KHATIBLOU acted as real estate brokers  
7 conducting licensed activities within the meaning of:

8 A. Code Section 10131(d). Respondents engaged in  
9 activities of a mortgage and loan broker with the public wherein  
10 lenders and borrowers were solicited for loans secured directly  
11 or collaterally by liens on real property, wherein such loans  
12 were arranged, negotiated, processed and consummated on behalf of  
13 others for compensation or in expectation of compensation and for  
14 fees often collected in advance. Between July 2008 and October  
15 2009 CCGI brokered and closed seventy-two (72) loans averaging  
16 \$300,000 each; and

17 B. Code Sections 10131(d) and 10131.2. CCGI and  
18 KHATIBLOU engaged in the business of a loan modification  
19 brokerage engaged in loss mitigation activities collecting  
20 advance fees requiring a real estate license.

21 Respondents CCGI and KHATIBLOU advertised, solicited  
22 and offered to provide loan modification services to economically  
23 distressed homeowners seeking adjustments to the terms and  
24 conditions of their home loans including, but not limited to,  
25 repayment plans, forbearance plans, partial claims, and reduction  
26 in principal or interest, foreclosure prevention and short sales.

27 ///

1           Between July 2008 and October 2009 CCGI negotiated  
2 seventy-five (75) loan modifications collecting \$258,948,000 in  
3 advance fees, completing seventy-four.

4                                   FIRST CAUSE OF ACCUSATION  
5                                   (Mortgage Loan and Loan Modification Audit)

6                                   5.

7           On April 24, 2010, the Department completed an audit  
8 examination of the books and records of CCGI pertaining to the  
9 mortgage loan, loan modification and advance fee activities  
10 described in Paragraph 4, which require a real estate license.  
11 The audit examination covered a period of time beginning on  
12 February 1, 2007 and January 29, 2010. The audit examination  
13 revealed violations of the Code and the Regulations as set forth  
14 in the following paragraphs, and more fully discussed in Audit  
15 Report LA 090137 and the exhibits and work papers attached to  
16 said audit report.

17                                   Bank Account

18                                   6.

19           At all times mentioned, in connection with the  
20 activities described in Paragraph 4, above, CCGI accepted or  
21 received funds including funds in trust (hereinafter "trust  
22 funds") from or on behalf of actual or prospective parties,  
23 including mortgage loan borrowers economically distressed  
24 homeowner for advance fees and loan modifications and loss  
25 mitigation handled by CCGI. Thereafter CCGI made deposits and or  
26 disbursements of such trust funds. From time to time herein  
27

1 mentioned during the audit period, said trust funds were  
2 deposited and/or maintained by CCGI in this bank account:

3 "Chase Capital Group Inc.  
4 Account No. XXXXXXXXXX- 43287"  
5 Bank of America  
6 Irvine Branch  
7 San Francisco, CA 94137-0001

8 (B/A #1 - Is the general operating bank account of CCGI. B/A #1  
9 into which was also used for deposit of advance fees collected  
10 from homeowners for loan modifications)

11 Audit Violations

12 7.

13 In the course of activities described in Paragraphs 4  
14 and 6, above, and during the audit examination period described  
15 in Paragraph 5, Respondents CCGI, KHATIBLOU and JAROD CHASE acted  
16 in violation of the Code and the Regulations in which  
17 Respondent(s):

18 (A) JAROD CHASE. On or about August 12, 2008, Elvia  
19 Andrade (Andrade) paid \$5,750.00 in advance to salesperson JAROD  
20 CHASE to secure a modification to the terms and conditions of her  
21 home loan for her home located at 1605 First Ave,, Salinas,  
22 California. Although licensed to and employed by CCGI, JAROD  
23 CHASE independently operated a similar name "Chase Residential  
24 Solutions" to that of CCGI. Andrade wired a money transfer from  
25 her bank to JAROD CHASE, as payee/beneficiary of the wire  
26 transfer activity. Chase performed loan modification services  
27 and acts independent of CCGI and KHATIBLOU by accepting payment

1 for his own purposes of Andrade's advance fees which require a  
2 real estate broker license pursuant to Code Section 10131.2, in  
3 violation of Code Sections 10085, 10130, 10137, 10176(a),  
4 10176(i), and/or 10177(g);

5 (B) CCGI and KHATIBLOU. Collected advance fees within  
6 the meaning of Code Section 10026 from homeowners seeking loan  
7 modification services wherein CCGI failed to provide homeowners  
8 with a pre-approved advance fee agreement from the Department, in  
9 violation of Code Section 10085 and Regulation 2970. Between  
10 July 2008 and October 2009, prior to CCGI submitting and  
11 receiving an advance fee agreement form the Department on March  
12 19, 2009, CCGI negotiated seventy-five loan modifications  
13 collecting \$258,948,000 in advance fees, completing seventy-  
14 four.

15 (C) CCGI and KHATIBLOU. With reference to the lack of  
16 an advance fee agreement, CCGI failed to provide a complete  
17 description of services to be rendered provided to each homeowner  
18 in 10 point type font and failed to provide an allocation and  
19 disbursement of the amount collected as the advance fee, in  
20 violation of Code Section 10146 and Regulation 2972.

21 (D) CCGI and KHATIBLOU. Permitted and/or caused the  
22 disbursement of trust funds to credit report companies on the  
23 representation that these amounts were needed to pay for credit  
24 report fees, which payments exceeded the actual costs of these  
25 services. Respondents did not disclose this "mark-up" in the  
26  
27

1 amount of \$12.50 to borrower M. Torres nor obtain his consent to  
2 this "mark-up". Respondents retained the difference between the  
3 amounts paid and the actual costs of the services, in violation  
4 of Code Section 10176(g).

5 (E) (1) CCGI and KHATIBLOU. B/A #1 was not designated  
6 as a trust account, in violation of Code Section 10145 and  
7 Regulation 2832(a). B/A #1 was the general operating account of  
8 CCGI into which Respondents deposited advance fees collected from  
9 loan modification homeowner applicants.

10 (E) (2) CCGI and KHATIBLOU. Commingled trust funds and  
11 personal funds by depositing trust funds in the form of advance  
12 fees collected for loan modifications from homeowners into CCGI's  
13 general operating account, B/A #1, instead of depositing trust  
14 funds into a properly designated trust account, in violation of  
15 Code Sections 10145 and 10176(e) and Regulation 2832.

16 (F) CCGI and KHATIBLOU. Failed to maintain a control  
17 record in the form of a columnar record in chronological order of  
18 all trust funds including advance fees collected, deposited and  
19 disbursed in connection with loan modifications, in violation of  
20 Code Section 10145 and Regulation 2831.

21 (G) CCGI and KHATIBLOU. Failed to maintain a separate  
22 record for each beneficiary or transaction, thereby failing to  
23 account for all trust funds in the form of advance fees  
24 collected, deposited and disbursed, in violation of Code Section  
25 10145 and Regulation 2831.1.  
26  
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1 (H) (1) CCGI and KHATIBLOU. Failed to retain a true and  
2 correct copy of a Department of Real Estate approved Mortgage  
3 Loan Disclosure Statement signed by the broker for borrowers  
4 Crawford, Ankele, Farris, Perez, Annette, Torrez, Ancheta and  
5 Watson, in violation of Code Section 10240 and Regulation 2840;  
6 and

7 (H) (2) CCGI and KHATIBLOU. Failed to disclose yield  
8 spread premiums from lenders on the approved Mortgage Loan  
9 Disclosure Statement for the aforesaid borrowers in violation of  
10 Code Section 10240, 10241 and Regulation 2840.

11 (I) CCGI and KHATIBLOU. Failed to display CCGI's  
12 corporation's license number on the Mortgage Loan Disclosure  
13 Statements to borrowers Crawford, Ankele, Farris, Perez, Annette,  
14 Torrez, Ancheta and Watson. Nor did CFLI disclose the loan  
15 agent's license number for each loan broker by and through CCGI,  
16 in violation of Code Section 10236.4.

17 (J) CCGI and KHATIBLOU. Failed to retain the  
18 salesperson license certificate for three of three salespersons,  
19 G. Barraza, S. Daneshmand and Mario Garcia, in violation of Code  
20 Section 10160 and Regulation 2753;

21 (K) CCGI and KHATIBLOU. Failed to maintain a signed  
22 broker salesperson agreement with salespersons G. Barraza, S.  
23 Daneshmand and Mario Garcia, in violation of Regulation 2726.  
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1 (L) Failed to retain all records of CCGI's activity  
2 during the audit period requiring a real estate broker license,  
3 in violation of Code Section 10148.

4 Discipline Statutes

5 8.

6 The conduct of Respondents CCGI, KHATIBLOU and JAROD  
7 CHASE described in Paragraph 7, above, violated the Code and the  
8 Regulations as set forth below:

9 PARAGRAPH

PROVISIONS VIOLATED

10		
11	7(A)	Code Sections 10085, 10130, 10137,
12		10176(a), 10176(i), and/or 10177(g)
13		(JAROD CHASE only)
14		
15	7(B)	Code Section 10085 and Regulation 2970
16		
17	7(C)	Code Section 10146 and Regulation 2972
18		
19	7(D)	Code Section 10176(g)
20		
21	7(E)	Code Sections 10145 and 10176(e) and
22		Regulation 2832
23		
24	7(F)	Code Section 10145 and Regulation 2831
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26	7(G)	Code Section 10145 and Regulation 2831.1
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- 7(H) Code Sections 10240 and 10241 and Regulation 2840
- 7(I) Code Section 10236.4
- 7(J) Code Section 10160 and Regulation 2753
- 7(K) Regulation 2726
- 7(L) Code Section 10148

JAROD CHASE. The foregoing violation, Paragraph 7(A), constitutes cause for discipline of the real estate license and license rights of JAROD CHASE, as aforesaid, under the provisions of Code Sections 10130 for unlicensed activity, 10137 for unlawful employment/compensation, 10085 for lack of advance fee agreement, 10176(a) for substantial misrepresentation, 10176(i) for conversion, fraud and dishonest dealing, 10177(d) for violation of the Real Estate Law and/or 10177(g) for negligence.

CCGI and KHATIBLOU. The foregoing violations, excluding Paragraph 7(A) above, constitutes cause for discipline of the real estate license and license rights of CCGI and KHATIBLOU, as aforesaid, under the provisions of Code Sections 10176(e) for commingling, for undisclosed compensation 10176(g), 10177(d) for violation of the Real Estate Law and/or 10177(g) for negligence.

SECOND CAUSE OF ACCUSATION  
(Broker Controlled Escrow Audit)

9.

On April 21, 2010, the Department completed an audit examination of the books and records of CCGI pertaining to the broker-escrow activities described in Paragraph 4 that require a real estate license. The audit examination covered the period from February 1, 2007 to January 29, 2010. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 090193 and the exhibits and work papers attached to LA 091093 audit report.

Bank Accounts

10.

At all times mentioned, in connection with the activities described in Paragraph 4, above, CCGI accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties including buyers and sellers, lenders and borrowers, for loan transactions brokered and escrowed by CCGI and thereafter made deposits and or disbursements of such funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by CCGI in the bank accounts as follows:

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1 "Chase Capital Group Inc. Escrow Division Trust Account  
Account No. XXXXXXXXXXXX-5293  
2 US Bank  
P.O. Box 1800  
3 Saint Paul, MN (B/A #1)

4  
5 "Chase Capital Group Inc.  
Account No. XXXXXXXXXXXX-6400  
6 Citizens Business Bank  
1010 E. Colorado Blvd.  
7 Pasadena, CA (B/A #2)

8 (B/A #1 and B/A #2 are virtual escrow bank accounts handled by  
9 Stewart Title of California for escrow receipts and disbursements  
for CCGI's broker escrow activities)

10  
11 11.

12 Audit Violations

13 In the course of activities described in Paragraphs 4  
14 and 10 above and during the examination period described in  
15 Paragraph 9, Respondents CCGI and KHATIBLOU, acted in violation  
16 of the Code and the Regulations in which Respondents:

17 (A) (1) Permitted, allowed or caused the disbursement of  
18 trust funds from the escrow bank account B/A #1 below where the  
19 disbursement of said funds reduced the total of aggregate funds  
20 as set forth below, to an amount which, on December 31, 2008 was  
21 \$3,305.00, less than the existing aggregate trust fund liability  
22 of CCGI to every principal who was an owner of said funds,  
23 without first obtaining the prior written consent of the owners  
24 of said funds, in violation of Code Section 10145 and Regulations  
25 2832.1, 2950(g) and 2951; and

26 ///

27 ///

1 (A) (2) Permitted, allowed or caused the disbursement of  
2 trust funds from the escrow bank account B/A #2 below where the  
3 disbursement of said funds reduced the total of aggregate funds  
4 as set forth below, to an amount which, on January 22, 2009 was  
5 \$3,305.00, less than the existing aggregate trust fund liability  
6 of CCGI to every principal who was an owner of said funds,  
7 without first obtaining the prior written consent of the owners  
8 of said funds, in violation of Code Section 10145 and Regulations  
9 2832.1, 2950(g) and 2951;

10 (B) (1) Failed to place trust funds into a trust account  
11 in the name of the broker as trustee at a bank or other financial  
12 institution, in violation of Code Section 10145 of the Code and  
13 Regulations 2832(a), 2950(d) and 2951. Neither B/A #1 nor B/A #2  
14 were designated as trust accounts; and

15 (B) (2) While acting in the capacity of an escrow  
16 holder, failed to place trust funds, accepted on behalf of  
17 another into the hands of the owner of the funds, a neutral  
18 escrow depository or into a trust fund account in the name of the  
19 broker at a bank or other financial institution not later than  
20 the next business day following receipt of the funds by the  
21 broker or by the broker's salesperson, in violation of Code  
22 Section 10145 and Regulations 2832(e), 2950(d) and 2951. A  
23 withdrawal was made from B/A #1 on January 22, 2009 in the amount  
24 of \$2,447.05 to close B/A #1. Said escrow trust fund balances  
25 were not deposited into B/A #2 until February 4, 2009;

26 ///

27 ///

1 (C) Failed to retain the salesperson license  
2 certificate for all three of CCGI's salespersons, G. Barraza, S.  
3 Daneshmand and Mario Garcia, in violation of Code Section 10160  
4 and Regulation 2753;

5 (D) Failed to maintain a signed broker salesperson  
6 agreement for all three of CCGI's salespersons, G. Barraza, S.  
7 Daneshmand and Mario Garcia, in violation of Regulation 2726; and

8 (E) Failed to retain all records of CCGI's activity  
9 during the audit period requiring a real estate broker license,  
10 in violation of Code Section 10148. Not all the advance fee  
11 agreement maintained between CCGI and the borrowers applying for  
12 loan modification services and the records of the advance fees  
13 the borrowers paid to CCGI in connection to its loan modification  
14 service activity were made available for review during the audit.  
15 Additionally, the following records were not made available for  
16 the audit during the course of examination: the deposit records  
17 for the \$255,198.00 fees CCGI collected in advance from  
18 borrowers; the canceled checks for the partial refunds totaling  
19 \$5,729.67 made to the borrowers in connection to its loan  
20 modification activity; the payment records for the payments made  
21 to the credit report company in connection to CCGI's mortgage  
22 loan activity.

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12.

The conduct of Respondents CCGI and KHATIBLOU described in Paragraph 12, above, violated the Code and the Regulations as set forth below:

PARAGRAPH

PROVISIONS VIOLATED

11(A)

Code Section 10145 and Regulations 2832.1, 2950(g) and 2951

11(B)

Code Section 10145 and Regulations 2832(a) and (e), 2950(d) and 2951

11(C)

Code Section 10160 and Regulation 2753

11(D)

Regulation 2726

11(E)

Code Section 10148

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of CCGI and KHATIBLOU, under the provisions of Code Sections 10177(d) and/or 10177(g).

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Negligence

13.

The overall conduct of Respondents CCGI and KHATIBLOU constitutes negligence. This conduct and violation is cause for the suspension or revocation of the real estate license and license rights of Respondents, pursuant to Code Section 10177(g).

Breach of Fiduciary Duty

14.

The overall conduct of Respondents CCGI and KHATIBLOU constitutes a breach of fiduciary duty. This conduct and violation is cause for the suspension or revocation of the real estate license and license rights of said Respondents pursuant to the provisions of Code Section 10177(g).

THIRD CAUSE OF ACCUSATION  
(Supervision and Compliance)

15.

The overall conduct of Respondent KHATIBLOU constitutes a failure on his part, as officer designated by corporate broker licensees CCGI and ASHI, to exercise the reasonable supervision and control over the licensed activities of said corporate licensees, as required by Code Section 10159.2 and Regulation 2725, and to keep CCGI in compliance with the Real Estate Law. Said conduct, acts and omissions are cause for the suspension or revocation of the real estate license and license rights of

1 KHATIBLOU pursuant to the provisions of Code Sections 10177(d),  
2 10177(g) and 10177(h). KHATIBLOU failed to exercise reasonable  
3 care and supervision over CCGI. Nor did KHATIBLOU have policies  
4 and procedures in place to maintain and monitor CCGI's compliance  
5 with the Real Estate Law.

6 WHEREFORE, Complainant prays that a hearing be  
7 conducted on the allegations of this Accusation and that upon  
8 proof thereof, a decision be rendered imposing disciplinary  
9 action against the license and license rights of Respondents  
10 CHASE CAPITAL GROUP INC., and KOUROSH KHATIBLOU, under the Real  
11 Estate Law (Part 1 of Division 4 of the Business and Professions  
12 Code) and for such other and further relief as may be proper  
13 under other applicable provisions of law.  
14

15 Dated at Los Angeles, California

16 this 18 March 2011.

17   
18 Deputy Real Estate Commissioner

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24 cc: Chase Capital Group Inc.  
25 c/o Kourosch Khatiblou D.O.  
26 Maria Suarez  
27 Sacto  
Audits - Chona Soriano