

1 Department of Real Estate
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3 Sacramento, CA 95818-7007

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FILED

MAY 24 2012

DEPARTMENT OF REAL ESTATE
By R. Mat

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11
12 To:)
13 MOHAMAD FOUZI HAFFAR and) NO. H-4355 SD
14 HAFFAR & ASSOCIATES.) ORDER TO DESIST AND REFRAIN
15) (B & P Code Section 10086)
16)

17 The Real Estate Commissioner ("the Commissioner") of the California
18 Department of Real Estate ("the Department") caused an investigation to be made of the
19 activities of MOHAMAD FOUZI HAFFAR ("HAFFAR"), individually and doing business as
20 HAFFAR & ASSOCIATES, ("H&A"). Based on that investigation, the Commissioner has
21 determined that Respondent has engaged in, is engaging in, or is attempting to engage in, acts or
22 practices constituting violations of the California Business and Professions Code ("Code")
23 and/or Title 10, Chapter 6, California Code of Regulations ("Regulations"), including acting in
24 the capacity of, advertising or assuming to act as a real estate broker in the State of California
25 within the meaning of Section 10131(d) (performing services for borrowers and/or lenders in
26 connection with loans secured by real property), 10131.2 (collection of advance fees), 10085
27 (advance fee agreements and materials) and 10085.5 (collecting unauthorized advance fees) of

1 the Code. Furthermore, based on the investigation, the Commissioner hereby issues the
2 following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the
3 authority of Section 10086 of the Code.

4 FINDINGS OF FACT

5 1. At all times relevant herein, HAFFAR was and is licensed by the
6 Department as a real estate broker.

7 2. At all times relevant herein, H&A was not licensed by the Department in
8 any capacity.

9 3. During the period of time set out below, HAFFAR performed services for
10 one or more borrowers and negotiated to do one or more of the following acts for another or
11 others, for or in expectation of compensation: negotiate one or more loans for, or perform
12 services for, borrowers and/or lenders with respect to the collection of advance fees and loan
13 modification, loan refinance, principal reduction, foreclosure abatement or short sale services
14 and/or those borrowers' lenders in connection with loans secured directly or collaterally by one
15 or more liens on real property; and charged, demanded or collected an advance fee for any of
16 the services offered.

17 4. In furtherance of his plan and scheme to solicit advance fees and provide
18 loan modification services, HAFFAR entered into loan modification services agreements and
19 collected advance fees from, but not limited to the following:

| <u>Homeowner</u> | <u>Payment Dates</u> | <u>Amount</u> | <u>Property</u> |
|--------------------|----------------------|--------------------|--------------------------------|
| Patricia C. | 11/01/09 | \$3,500 | Gamble Court Hayward, CA |
| Gary and Gloria G. | 05/21/10 | \$3,500 | Marquette Street Burney, CA |
| Charles G. | 10/02/09 10/13/09 | \$1,750 \$1,750 | Gable Court Stockton, CA |

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|----|------------|----------|---------|-----------------------|
| 1 | Melody F. | 04/14/10 | \$1,750 | Wisconsin Street |
| 2 | | 05/14/10 | \$1,750 | San Francisco, CA |
| 3 | William H. | 03/22/10 | \$3,500 | Atherstone Drive |
| 4 | | | | Indio, CA |
| 5 | Shelly Y. | 02/10/10 | \$1,500 | Fountainhead Court |
| 6 | | 02/25/10 | \$1,500 | Martinez, CA |
| 7 | | 03/18/10 | \$ 500 | |
| 8 | Charles M. | 03/03/10 | \$1,750 | Pheasant Hollow Drive |
| 9 | | 04/02/10 | \$1,750 | West Sacramento, CA |
| 10 | | 08/16/10 | \$ 495 | |
| 11 | John L. | 12/21/09 | \$1,750 | Vista Pointe Drive |
| 12 | | | | Watsonville, CA |

11 After receiving advance fee payments from each of the borrowers listed above, HAFFAR
 12 failed to obtain loan modifications for them and did not repay the advance fees received from
 13 those borrowers.

14 5. In connection with the collection and handling of advance fees as alleged
 15 in Paragraph 4, above, HAFFAR failed to submit the advance fee contract and all materials used
 16 in obtaining those advance fee agreements to the Department of Real Estate for approval prior
 17 to their use in obtaining advance fees from those borrowers.

18 CONCLUSIONS OF LAW

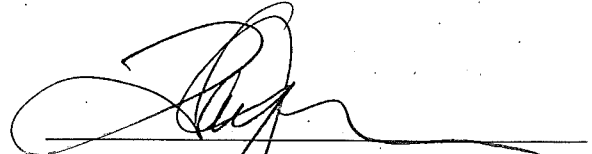
19 6. Based on the Findings of Fact contained in Paragraphs 1 through 5,
 20 above, HAFFAR, individually and doing business as H&A, solicited borrowers and/or
 21 performed services for those borrowers with respect to the collection of advance fees and loan
 22 modification, loan refinance, principal reduction, foreclosure abatement or short sale services
 23 and/or those borrowers' lenders in connection with loans secured directly or collaterally by one
 24 or more liens on real property; and charged, demanded or collected advance fees for the services
 25 to be provided, which acts require a real estate broker license under Sections 10131(d) and
 26 10131.2 of the Code.

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1 other form of mortgage loan forbearance services in connection with loans on residential
2 property containing four or fewer dwelling units.

3 DATED: May 22, 2012

4 REAL ESTATE COMMISSIONER

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7 By WAYNE S. BELL
8 Chief Counsel

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10 **Notice:** Business and Professions Code Section 10139 provides that, "Any
11 person acting as a real estate broker or real estate salesperson without a license or who
12 advertises using words indicating that he or she is a real estate broker without being so licensed
13 shall be guilty of a public offense punishable by a fine not exceeding twenty thousand dollars
14 (\$20,000), or by imprisonment in the county jail for a term not to exceed six months, or by both
15 fine and imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand
16 dollars (\$60,000)...."

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19 cc: MOHAMAD FOUZI HAFFAR
20 113 W. G Street, Unit 526
21 San Diego, CA 92101

22 MOHAMAD F. HAFFAR
23 As Agent for Service of Process
24 HAFFAR & ASSOCIATES
25 625 Broadway, Suite 825
26 San Diego, CA 92101

27 ATTY JWB/km