ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

In the Matter of the Mortgage Banker License of:

No. 09F-BD037-BNK

CONSENT ORDER

FIRSTLINE RESIDENTIAL, INC. and MIKE N. RAFIPOOR, PRESIDENT 29900 N. 121st Lane Peoria, AZ 85383

Respondents.

On October 20, 2008, the Arizona Department of Financial Institutions ("Department") issued an Order of Summary Suspension and Notice of Hearing to Revoke, alleging that Respondent had violated Arizona law. Wishing to resolve this matter in lieu of an administrative hearing, Respondent admits to the following Findings of Fact and Conclusions of Law, and consents to the entry of the following Order.

FINDINGS OF FACT

- 1. Respondent Firstline Residential, Inc., ("FRI") is a Nevada corporation authorized to transact business in Arizona as a mortgage banker, license number BK 0909795, within the meaning of A.R.S. §§ 6-941, et seq. The nature of FRI's business is that of making, negotiating, or offering to make or negotiate loans secured by Arizona real property, within the meaning of A.R.S. § 6-941(5).
- 2. Respondent Mike N. Rafipoor ("Mr. Rafipoor") is the President and one hundred percent (100%) owner of FRI. Mr. Rafipoor is authorized to transact business in Arizona as a mortgage banker within the meaning of A.R.S. § 6-943(F).
- 3. FRI, before conducting business as a mortgage banker, is required to have a surety bond, deposited with the Superintendent, pursuant to A.R.S. § 6-943(H), in the required amount pursuant to A.R.S. § 6-943(H).
- 4. On August 11, 2008, the Department received a Notice of Cancellation of Bond from Hartford Fire Insurance Company, stating that Rafipoor Funding Group, Inc.'s

surety bond, number 83BSBE00640, in the amount of twenty-five thousand dollars (\$25,000.00), will be cancelled, effective September 17, 2008.

- 5. Department records reflect surety bond number 83BSBE00640 is for Firstline Residential, Inc.
- 6. On August 14, 2008, the Department sent a letter via certified mail to FRI, informing them of the bond cancellation.
- 7. On August 14 2008, the Department contacted Hartford Fire Insurance Company regarding the discrepancy in the principal on record with the Department for bond number 83BSBEO0640 and the Notice of Cancellation of Bond the Department received. The Department was provided a copy of a bond RIDER that was executed on February 8, 2008 changing the name of the principal from Firstline Residential, Inc. to Rafipoor Funding Group, Inc.
- 8. FRI completed a name change with the Arizona Corporation Commission on May 12, 2008. FRI changed its name from Firstline Residential, Inc. to Rafipoor Funding Group, Inc.
 - 9. To date, FRI has not notified the Department of any change in its name.
- 10. FRI failed to provide documentation regarding the reinstatement of their bond or documentation of a new surety bond.
- 11. FRI does not have the required surety bond in order to conduct business as a mortgage banker.
- 12. The conduct described above constitutes an immediate threat to the public health, safety, and welfare, warranting immediate suspension of Respondents' mortgage banker license because Respondents are able to conduct business in Arizona as a licensed mortgage banker and they do not have the required surety bond.
 - 13. The mortgage banker license of FRI is suspended.

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14. The conduct described above constitutes grounds for revocation of Respondents' mortgage banker license.

CONCLUSIONS OF LAW

- 1. Pursuant to A.R.S. Title 6, Chapter 9, the Superintendent has the authority and duty to regulate all persons engaged in the mortgage banker business and with the enforcement of statutes, rules, and regulations relating to mortgage bankers.
- 2. By the conduct set forth above in the Complaint, FRI and Mr. Rafipoor violated A.R.S. § 6-943(H) by failing to maintain the required surety bond.
- 3. Respondents have not conducted business in accordance with the law and violated Title 6, Chapter 9 and the rules relating to this chapter, which are grounds for the suspension or revocation of Respondents' license pursuant to A.R.S. § 6-945(A)(7).
- 4. The violations, set forth above, constitute grounds for the pursuit of any other remedy necessary or proper for the enforcement of statutes and rules regulating mortgage bankers in Arizona pursuant to A.R.S. §§ 6-123 and 6-131.
- 5. Pursuant to A.R.S. § 6-132, Respondents' violations of the aforementioned statutes are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation for each day.

ORDER

- 1. Mortgage Banker License, number BK 0909795, issued in the name of Firstline Residential, Inc., is hereby immediately revoked and shall immediately be surrendered to the Department upon execution of this Consent Order.
 - 2. At the time of execution of this order, Petitioner shall:
- a. Submit a report of the winding down and closure of all loan files showing that all files have been closed or transferred to a mortgage broker or mortgage banker licensed by the Department or exempt from licensure; and

- b. Provide to the Department a report of the arrangements made for storage of the closed loan files, including a list of all files placed in storage, the location of the files, and the name of the person to contact for retrieval.
- 3. The provisions of this Order shall be binding upon Firstline Residential, Inc. and Mr. Rafipoor, and their employees, agents, and other persons participating in the conduct of the affairs of Firstline Residential, Inc.
- 4. This Order shall become effective upon service, and shall remain effective and enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated, or set aside.

SO ORDERED this 24 day of November, 2008.

Felecia A. Rotellini Superintendent of Financial Institutions

Robert D. Charlton

Assistant Superintendent of Financial Institutions

CONSENT TO ENTRY OF ORDER

- 1. Respondents acknowledge that they have been served with a copy of the foregoing Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the same, are aware of their right to an administrative hearing in this matter, and have waived the same.
- 2. Respondents admit the jurisdiction of the Superintendent and consent to the entry of the foregoing Findings of Fact, Conclusions of Law, and Order.
- 3. Respondents states that no promise of any kind or nature has been made to induce them to consent to the entry of this Order, and that they have done so voluntarily.
 - 4. Respondents agree to cease from engaging in the violative conduct set forth

- 5. Respondents acknowledge that the acceptance of this Agreement by the Superintendent is solely to settle this matter and does not preclude this Department, any other agency or officer of this state or subdivision thereof from instituting other proceedings as may be appropriate now or in the future.
- 6. Mike N. Rafipoor, on behalf of Firstline Residential, Inc., represents that he is the President, and that, as such, has been authorized by Firstline Residential, Inc. to consent to the entry of this Order on its behalf.
- 7. Respondents waive all rights to seek judicial review or otherwise to challenge or contest the validity of this Order.

DATED this 24 day of _	, 2008.
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	Mike N. Rafipoor, President
	Firstline Residential, Inc.

ORIGINAL of the foregoing filed this <u>24</u> day of <u>Jovember</u>, 2008, in the office of:

18 Felecia Rotellini

Superintendent of Financial Institutions

Arizona Department of Financial Institutions

20 ATTN: Susan Longo

2310 N. 44th Street, Suite 310

Phoenix, Arizona 85018

COPY mailed/delivered same date to:

Robert D. Charlton, Assistant Superintendent Richard Fergus, Division Manager Licensing Arizona Department of Financial Institutions 2910 N. 44th Street, Suite 310

Phoenix, Arizona 85018

1	AND COPY MAILED SAME DATE to:
2	Alyse C. Meislik.
3	Assistant Attorney General 1275 West Washington Street
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5	Attorneys for the Arizona Department of Financial Institutions
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7	17310 Red Hill Avenue, Suite 250 Irvine, CA 92614
8	Attorney for Respondents
9	Firstline Residential, Inc.
10	Attn: Mike N. Rafipoor, President 17310 Redhill Ave., Suite 250
11	Respondents
12	Paracorp Incorporated Statutory Agent for Firstline Residential, Inc.
13	AKA Rafipoor Funding Group, Inc. 638 N. 5 th Ave.
14	Phoenix, AZ 85003
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16	By: Jusan Longo
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