STATE OF ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

In the Matter of Loan Originator License of:

NABEAL MOHAMED HAMED,

No. 19F-BD010-BNK

Arizona Loan Originator License No.

ORDER

Respondent.

On August 1, 2019, the Office of Administrative Hearings through Administrative Law Judge Velva Moses-Thompson issued an Administrative Law Judge Decision ("Recommended Decision") received by the Interim Superintendent of the Department of Financial Institutions ("Superintendent") on August 1, 2019, a copy of which is attached and incorporated by reference. The Superintendent has reviewed the Recommended Decision and enters the following:

- 1. The Superintendent adopts the Recommended Findings of Fact and Conclusions of Law, except to correct the following:
 - a. Page 1, paragraph 1: On May 16, 2019, the Arizona Department of Financial Institutions, ("Department"), issued a Notice of Hearing setting the above captioned matter for hearing at 9:00 a.m. on July 12, 2019.
 - b. Page 1, paragraph 2: The Notice of Hearing provided that the hearing issue was, "whether grounds exist to suspend or revoke Respondent's loan originator license; to order any other remedy necessary or proper for the enforcement of statutes and rules regulating loan originators in Arizona under A.R.S. §§ 6-123 and 6-131; and, if needed, to impose upon Respondent a civil money penalty under A.R.S. § 6-132."
 - c. Pages 1 and 2, paragraph 4: At hearing, the Department presented the testimony of Nicole Abraham, Senior Vice President of Academy Mortgage, Richard Fergus, Senior Examiner at the Department, and Jessica Padilla, a former employee of Academy Mortgage. The Department submitted exhibits 1 through 39 and A. Mr. Hamed did not provide testimony or evidence.

- d. Page 2, paragraph 6: At all relevant times, Respondent Nabeal Mohamed Hamed worked as a loan originator and supervisor at Academy Mortgage Corporation ("Academy Mortgage"). Academy Mortgage is a licensed mortgage banker in the state of Arizona.
- e. Page 2, paragraph 7: In January of 2018, the Department was informed by Academy Mortgage that it suspected that Mr. Hamed and other employees located at Williams Circle office in Tucson, Arizona, engaged in illegal and improper business practices to help mortgage applicants qualify for loans. At all times relevant to this matter, **Fernando Ayala** supervised Mr. Hamed.
- f. Page 2, paragraph 8: The Department conducted an investigation into the alleged illegal activity. The Department found that Mr. Hamed had altered and forged documents in connection with twenty mortgage loan applicants' files from 2016 to 2018.
- g. Richard Fergus testified that he conducted an investigation into Academy Mortgage's report that the employees at the Williams Circle location were engaged in illegal and improper business practices. Mr. Fergus testified that the results of his investigation are summarized in the Notice of Hearing and Complaint. See Exhibit A. I find Mr. Fergus's testimony to be credible.
- 2. The Superintendent rejects the Recommended Order of suspension and orders that Nabeal Mohamed Hamed's loan originator license (License No. 0929741) is immediately revoked. The Administrative Law Judge found that the Department met its burden of proof stating in the Recommended Decision, page 3, paragraph 4, "[t]he preponderance of the evidence shows that Respondent submitted forged and altered documents to Academy Mortgage, which is a violation of A.R.S. § 6-9991.02(I) [sic], A.R.S. § 6-991.02(K), A.R.S. § 6-991.05(A)(1) and (2)." These violations constitute grounds for revoking Nabeal Mohamed Hamed's loan originator license under A.R.S. § 6-991.05(A)(2).
- 3. The Superintendent orders Nabeal Mohamed Hamed to pay to the Department of Financial Institutions, within 15 days of the effective date of the Order, a civil money penalty in the

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form of a cashier's check or money order made payable to the Department of Financial Institutions in the amount of ten thousand dollars (\$10,000.00).

NOTIFICATION OF RIGHTS

Pursuant to Arizona Revised Statutes ("A.R.S.") § 41-1092.09, Respondent may request a rehearing or review with respect to this Order within 30 days after the date this Order has been served on Respondent. A rehearing or review of the Order is requested by serving on the Superintendent a written motion that specifies the grounds upon which the motion is based. Pursuant to A.R.S. § 41-1092.09, it is not necessary to request a rehearing before filing an appeal to Superior Court.

Respondent may appeal the Superintendent's final decision to the Superior Court of Maricopa County for judicial review pursuant to A.R.S. §§ 6-139, 12-904 and 41-1092.08(H).

DATED this 19th day of August, 2019.

Keith A. Schraad, Interim Superintendent Arizona Department of Financial Institutions

COPY of the foregoing EMAILED and MAILED same date by U.S. First Class Certified Mail w/Return Receipt Requested, article/tracking number: 7009 2250 0001 3651 9435

this 19 day of August 2019, to:

Nabeal Mohamed Hamed

Order; 19F-BD010-BNK Continued

1	COPY of the foregoing electronically filed, same date, to:
2	Velva Moses-Thompson, Administrative Law Judge
3	Office of Administrative Hearings 1740 West Adams Street, Lower Level Phoenix, Arizona 85007
4	COPY of the foregoing sent by
5	electronic mail, same date, to:
6	Keith A. Schraad, Interim Superintendent Gabriela Macias, Division Manager
7	Attn: Ana Starcevic
8	Arizona Department of Financial Institutions 100 North 15 th Ave., Suite 261 Phoenix, Arizona 85007
9	astarcevic@azdfi.gov
10	Roberto Pulver, Assistant Attorney General Attn: Teresa Carranza
11	Office of the Attorney General
12	2005 South Central Avenue
	Phoenix, Arizona 85004 AdminLaw@azag.gov
13	Roberto.Pulver@azag.gov
14	Attorney for the Department
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 In the Matter of the Loan Originator License of:

NABEAL MOHAMED HAMED, Licensed Loan Originator, holder of License Number 0929741.

Respondent.

No. 19F-BD010-BNK

ADMINISTRATIVE LAW JUDGE DECISION

HEARING: July 12, 2019

<u>APPEARANCES</u>: Respondent Nabeal Mohamed Hamed appeared on behalf of himself. Assistant Attorney General Roberto Pulver appeared on behalf of the Arizona Department of Financial Institutions.

ADMINISTRATIVE LAW JUDGE: Velva Moses-Thompson

FINDINGS OF FACT

- 1. On May 16, 2019, the Arizona Department of Financial Institutions, ("Department"), issued a Notice of Hearing setting the above-captioned matter for hearing at 1:00 p.m. on July 12, 2019.
- 2. The Notice of Hearing provided that the hearing issue was, "whether grounds exist to suspend or revoke Respondent's loan originator license; to order any to her remedy necessary or proper enforcement of statutes and rules regulating loan processors in Arizona under A.R.S. §§ 6-123 and 6-131; and if needed, to impose upon Respondent a civil money penalty under A.R.S. § 6-132."
 - 3. A hearing was held on July 12, 2019.
- 4. At hearing, the Department presented the testimony of Nicole Abraham, Senior Vice President of Academy Mortgage, Richard Burgess, Senior Examiner at the Department, and Jessica Padilla, a former employee of Academy Mortgage. The Department submitted exhibits 1 through 39 and A. Mr. Hamed did not provide testimony or evidence.

Office of Administrative Hearings 1740 West Adams Street, Lower Level Phoenix, Arizona 85007 (602) 542-9826

- 6. At all relevant times, Respondent Nabeal Mohamed Hamed worked as a loan originator and supervisor at Academy Mortgage Corporation ("Academy Mortgage"). Academy Mortgage was a licensed mortgage broker in the state of Arizona.
- 7. In January of 2018, the Department was informed by Academy Mortgage that it suspected that Mr. Hamed and other employees located at the Williams Circle office in Tucson, Arizona, engaged in illegal and improper business practices to help mortgage applicants qualify for loans. At all times relevant to this matter, Nabel Mohamed supervised Mr. Hamed.
- 8. The Department conducted an investigation into the alleged illegal activity. The Department found that Mr. Hamed had altered and forged documents in connection with twenty from 2016 to 2018.
- 9. Richard Burgess testified that he conducted an investigation into Academy Mortgage's report the employees at the Williams Circle location were engaged in illegal and improper business practices. Ms. Burgess testified that the results of his investigation are summarized in the Notice of Hearing and Complaint. See Exhibit A. I find Mr. Burgess's testimony to be credible.
- 16. In the course of its investigation, the Department discovered that Mr. Hamed had submitted false documents, concealed material facts, and made misrepresentations to deceive Academy Mortgage into providing residential home loans to at least twenty applicants.

CONCLUSIONS OF LAW

- 1. The Superintendent has jurisdiction over Respondent and the subject matter in this case.
- 2. Pursuant to A.R.S. § 41-1092.07(G) (2) and A.A.C. R2-19-119(B), the Department has the burden of proof in this matter. The standard of proof is by a preponderance of the evidence. See A.A.C. R2-19-119(A).
- 3. The Department's investigation into the business practices of Academy Mortgage located at the Williams Circle in Tucson, as shown in Exhibit A, is prima face evidence of the facts stated therein.

- 4. The preponderance of the evidence shows that Respondent submitted forged and altered documents to Academy Mortgage, which is a violation of A.R.S. § 6-991.02(I), A.R.S. § 6-991.02(K), and A.R.S. § 6-991.05(A)(1) and (2).
- 5. Pursuant to A.R.S. § 6-132, the Department is authorized to impose a civil penalty of not more than \$5,000.00 for each violation for each day.
- 6. Based on the specific circumstances, the Administrative Law Judge believes that a \$10,000.00 civil penalty is appropriate for Mr. Hamed's misconduct.

ORDER

IT IS ORDERED that Nabeal Mohamed Hamed is immediately suspended from participating in any of the affairs of a financial institution or enterprise for a period of five years.

IT IS FURTHER ORDERED, within 15 days of the effective date of the Order entered in this matter, Nabeal Mohamed Hamed shall pay to the Department a civil penalty in the amount of \$10,000.00, and such payment shall be made by cashier's check or money order made payable to the Department.

In the event of certification of the Administrative Law Judge Decision by the Director of the Office of Administrative Hearings, the effective date of the Order shall be five days from the date of the certification.

Done this day, August 1, 2019.

/s/ Velva Moses-Thompson Administrative Law Judge

Transmitted electronically to:

 Keith A. Schraad, Interim Director Arizona Department of Financial Institutions