



# San Diego City Attorney Jan I. Goldsmith

## NEWS RELEASE

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### **Business Owner Convicted in Illegal Loan Modification Case** *City Attorney's Office seeks homeowners victimized by Fair Lender Audits*

**San Diego, CA:** For homeowners struggling to pay their mortgage, the promise of lowered monthly payments was alluring. That's why several San Diego homeowners signed up with *Fair Lender Audits* to help modify their mortgage—for an up-front fee. Such fees are now illegal under California law.

Borzou Hamzaviabedi, one of the co-owners of *Fair Lender Audits*, pleaded guilty in San Diego Superior Court on February 8, 2011 to acting as a real estate agent without a license in connection with the illegal loan modifications. Under the law at that time, only licensed real estate agents and attorneys could accept money up-front for loan modifications. Hamzaviabedi was neither a licensed real estate agent nor an attorney.

Hamzaviabedi was sentenced to probation for three years and ordered not to engage in any loan modification business unless licensed by the State. He was also ordered to pay a \$3,000 fine and pay \$7,750 in restitution to the known victims of the crime. As part of a plea agreement, Hamzaviabedi must also cooperate in the prosecution of the other co-owner of the company, Esteban Arjona. Charges against Arjona are pending.

The San Diego City Attorney's Office filed charges against Hamzaviabedi and Arjona last year after investigating consumer complaints from homeowners who paid the defendants \$2,500 to \$3,000 for loan modification services. None of the homeowners received new loans.

"Vulnerable homeowners are being lured with promises of lower payments, only to end up paying out more money in up-front fees—for nothing," said City Attorney Jan Goldsmith. "Up-front fees are illegal, and my office will continue to aggressively prosecute those individuals who seek to unlawfully take advantage of homeowners who are struggling to pay their mortgages," added Goldsmith.

Homeowners who believe they are victims of *Fair Lender Audits* are urged to file a claim with the City Attorney's Office immediately by calling the City Attorney's Help Line at (619) 533-5600.

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