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SUPERIOR COURT OF CALIFORNIA  
CENTRAL JUSTICE CENTER

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FILED  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER

JUL 23 2012

ALAN CARLSON, Clerk of the Court  
*Alan Carlson*  
BY M NAKATA

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF ORANGE

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

STATEWIDE FINANCIAL GROUP, INC.,  
a California corporation doing business as  
~~US HOMEOWNERS ASSISTANCE; US  
HOMEOWNERS PRESERVATION  
CENTER, INC., a California corporation;~~  
HAKIMULLAH SARPAS, an individual;  
ZULMAI NAZARZAI, an individual;  
SHARON FASELA, an individual; RASHA  
YEHA MELEK, an individual; and DOES  
1 through 100, inclusive,

Defendants.

Case No. 30-2009-00125950

BY FAX

~~PROPOSED~~ JUDGMENT

Dept: C11  
Judge: The Honorable Andrew P. Banks  
Action Filed: July 13, 2009

1 This equitable action pursuant to Business and Professions Code sections 17200 et seq. and  
2 17500 et seq. was tried before the Honorable Andrew P. Banks in Department C11 of the above- APBOW  
3 entitled Court. Plaintiff People of the State of California (People) appeared and were represented  
4 by Attorney General Kamala D. Harris through Sheldon H. Jaffe, Deputy Attorney General and  
5 Michele Van Gelderen, Supervising Deputy Attorney General. Defendants Statewide Financial  
6 Group, Inc. (Statewide Financial), Hakimullah Sarpas, Zulmai Nazarzai, and Fasela Sheren,  
7 named in this action as Sharon Fasela, appeared and were represented by Thomas Murphy and  
8 Afshin Eftekhari.

9 Evidence, both oral and documentary, having been presented by all parties, the cause  
10 having been argued and submitted for decision, and the Court having made and filed a Tentative  
11 Decision and a Statement of Decision:

12 IT IS ORDERED, ADJUDGED, AND DECREED that the Motions for Judgment of  
13 Defendants Statewide Financial, Sarpas, Nazarzai, and Sheren, are denied.

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Statewide  
15 Financial, Sarpas, Nazarzai, and Sheren, violated Business and Professions Code sections 17200  
16 and 17500;

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that each and every  
18 customer, client, or person (the Eligible Consumers) who paid a fee for loan modification services  
19 to USHA and/or WeBeatAllRates.Com during the period January 1, 2008 to July 14, 2009, will  
20 be contacted and offered full restitution of all funds paid by these Eligible Consumers. Within 60  
21 days of this Judgment becoming final, Defendants shall provide counsel for the People of the  
22 State of California with the full name and last known business and residential and email address  
23 together with the last known business and residence and cell phone number of each Eligible  
24 Consumer, provided, however, that Defendant need not provide this information for the  
25 customers identified by the court appointed receiver in Trial Exhibit 48, each of whom is found to  
26 be an Eligible Consumer. Defendants may not retain any of this information, except as necessary  
27 to effect the terms of this Judgment.

28

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants shall make  
2 complete and full restitution to each Eligible Consumer who requests same, up to a total of  
3 \$2,047,041.86. Defendants Statewide Financial, Sarpas, and Nazarzai, are jointly and severally  
4 liable for the full amount of restitution; Defendant Sheren is jointly and severally liable for up to  
5 \$147,869.00 of the restitution to be paid. The \$2,047,041.86 is to be provided to the Office of the  
6 Attorney General to be placed in an escrow account pending completion of the restitution process  
7 within 60 days of this Judgment becoming final. The Office of the Attorney General is not  
8 obligated to commence the notification and restitution process until these funds are received.  
9 Any funds not claimed by the Eligible Consumers within one year of the conclusion of the  
10 notification process shall revert to the Defendant(s) who provided such funds, except that such  
11 funds may be retained by the Office of the Attorney General as necessary to pay any civil  
12 penalties or costs ordered to be paid by any Defendant in this action.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Office of the  
14 Attorney General of the State of California shall oversee the restitution process, and it is  
15 authorized to take any reasonable measure to insure the payment of restitution, including, without  
16 limitation: (1) hiring a third party administrator for the restitution process; (2) writing letters, e-  
17 mails, and telephone scripting to be used in contacting the Eligible Consumers; (3) sending  
18 correspondence to the Eligible Consumers; (4) calling the Eligible Consumers; and (5) sending  
19 payment to the Eligible Consumers. All reasonable expenses incurred by the Office of the  
20 Attorney General in effectuating this order, including out-of-pocket expenses and personnel costs,  
21 shall be repaid to the Office of the Attorney General by Defendants. The Office of the Attorney  
22 General is authorized to request reasonable advance payment of estimated costs. All requests for  
23 advance payment and/or reimbursement of costs are subject to the approval of the Court.

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Statewide  
25 Financial, Sarpas, and Nazarzai are jointly and severally liable to pay civil penalties in the amount  
26 of \$2,047,041.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Sheren,  
28 Statewide Financial, Sarpas, and Nazarzai are jointly and severally liable to pay civil penalties in

1 the amount of \$360,540. This is in addition to the \$2,047,041 in civil penalties previously  
2 ordered.

3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Business  
4 and Professions Code sections 17203 and 17535 defendants Statewide Financial Group, Inc.  
5 doing business as US Homeowners Assistance, Hakimullah Sarpas, Zulmai Nazarzai and Fasela  
6 Sheren (aka Sharon Fasela) and each of their agents, employees, officers, representatives, partners  
7 and any person acting in concert or in participation with them, are permanently enjoined from  
8 committing or performing the following acts:

- 9 1. Making or causing to be made any untrue or misleading statements in connection  
10 with the negotiating, arranging or modifying of any real estate loan or in connection with  
11 the soliciting or performing of any services for home loan borrowers in connection with a  
12 real estate loan modification;
- 13 2. Violating California Civil Code sections 2945.3; and/or 2945.4 and/or 2945.45 as  
14 presently enacted and any amendments thereto in the future;
- 15 3. Suggesting, directly or indirectly, that consumers submit false or misleading financial  
16 information to lenders or submitting information to lenders on their customers behalf that  
17 the above named defendants or any of them know or have reason to know is false or  
18 misleading;
- 19 4. Negotiating, arranging or modifying loans and/or soliciting or performing services for  
20 potential borrowers in connection with loans that are secured by real property without all  
21 required and valid licenses; and
- 22 5. Employing any person to negotiate, arrange or modify real estate or real estate  
23 secured loans and/or to solicit or perform services for borrowers in connection with loans  
24 that are secured by real property, unless any and all such persons have all required and valid  
25 licenses.

26  
27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Statewide  
28 Financial, Nazarzai, Sarpas, and Sheren shall take nothing from the People;

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the People, as the  
2 prevailing party, shall recover from Defendants Statewide Financial, Nazarzai, Sarpas, and  
3 Sheren, pursuant to Code of Civil Procedure section 1032 et seq.,; and

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that any filing fee or other  
5 fee for any official service rendered by the clerk of the court that was not paid by the People as a  
6 result of Government Code section 6103 shall be paid by Defendants Statewide Financial,  
7 Nazarzai, Sarpas, and Sheren as provided for in Government Code section 6103.5 in the amount  
8 of \$\_\_\_\_\_.

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendant US  
10 Homeowners Preservation Center Inc.'s motion for non-suit is granted.

11 The Court RESERVES JUDGMENT on the issues relating to the Receiver previously  
12 appointed to take control of USHA.

13  
14 DATED: July 23, 2012

**ANDREW P. BANKS**

Honorable Andrew P. Banks  
Judge of the Superior Court