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FILED

OCT 20 2011

DEPARTMENT OF REAL ESTATE

BY: 

9 DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * * * *

12 In the Matter of the Accusation

No. H- 37609 LA

13 CAMINO REALTY INC.; CAMINO)
14 REALTY MORTGAGE SERVICES)
15 INC.; and OCTAVIO CORONA,)
16 individually, and as desig-)
17 nated officer for Camino)
18 Realty Inc. and Camino Realty)
Mortgage Services Inc.,)
Respondents.)

ACCUSATION

19
20 The Complainant, Maria Suarez, a Deputy Real Estate
21 Commissioner of the State of California, for cause of Accusation
22 against CAMINO REALTY INC. ("CAMINO REALTY"), CAMINO REALTY
23 MORTGAGE SERVICES INC. ("CAMINO REALTY MORTGAGE") and OCTAVIO
24 CORONA ("CORONA"), individually, and as designated officer for
25 CAMINO REALTY and CAMINO REALTY MORTGAGE, is informed and alleges
26 as follows:

27 ///

1.

1 The Complainant, Maria Suarez, a Deputy Real Estate
2 Commissioner of the State of California, makes this Accusation in
3 her official capacity.
4

2.

5
6 CAMINO REALTY is presently licensed and/or has license
7 rights under the Real Estate Law (Part 1 of Division 4 of the
8 Business and Professions Code, hereinafter "Code"), as a real
9 estate corporation acting by and through CORONA as its designated
10 broker-officer.

3.

11
12 CAMINO REALTY MORTGAGE is presently licensed and/or has
13 license rights under the Real Estate Law as a real estate
14 corporation acting by and through CORONA as its designated
15 broker-officer.
16

4.

17
18 CORONA is presently licensed and/or has license rights
19 under the Real Estate Law as a real estate broker and designated
20 broker-officer of CAMINO REALTY and CAMINO REALTY MORTGAGE.

5.

21
22 All further references to respondents herein include
23 CAMINO REALTY, CAMINO REALTY MORTGAGE and CORONA, and also
24 include officers, directors, employees, agents and real estate
25 licensees employed by or associated with CAMINO REALTY, CAMINO
26 REALTY MORTGAGE and CORONA, and who at all times herein mentioned
27 were engaged in the furtherance of the business or operations of

1 CAMINO REALTY, CAMINO REALTY MORTGAGE and CORONA, and who were
2 acting within the course and scope of their authority and
3 employment.

4 6.

5 At all times relevant herein CORONA, as the officer
6 designated by CAMINO REALTY and CAMINO REALTY MORTGAGE, pursuant
7 to Section 10211 of the Code, was responsible for the supervision
8 and control of the activities conducted on behalf of CAMINO
9 REALTY and CAMINO REALTY MORTGAGE by its officers and employees
10 as necessary to secure full compliance with the Real Estate Law
11 as set forth in Section 10159.2 of the Code.

12 7.

13 CORONA ordered, caused, authorized or participated in
14 the conduct of CAMINO REALTY and CAMINO REALTY MORTGAGE, as is
15 alleged in this Accusation.

16 8.

17 At all times material herein, Respondents were engaged
18 in the business of, acted in the capacity of, advertised or
19 assumed to act as real estate brokers and/or real estate
20 corporations in the State of California, within the meaning of
21 Code Sections 10131(a) and 10131(d) of the Code. Said activities
22 included soliciting sellers and buyers for the listing, sale and
23 purchase of real property and negotiating the purchase and sale
24 of real property on behalf of buyers and sellers, as well as
25 soliciting borrowers and lenders and negotiating the terms of
26 loans secured by real property between borrowers and third party
27

1 lenders for or in expectation of compensation.

2 9.

3 At all times mentioned herein Respondents engaged in
4 the business of advance fee brokerage within the definition of
5 Code Section 10131.2 by claiming, demanding, charging, receiving,
6 collecting or contracting for the collection of an advance fee,
7 within the meaning of Code Section 10026, in connection with any
8 employment undertaken to obtain a loan or loans.

9 FIRST CAUSE OF ACCUSATION

10 (Advance Fee Violations pursuant to Section 10085 of the Code)

11 10.

12 Respondents engaged in advance fee activities
13 including, but not limited to, the following loan activities with
14 respect to loans which were secured by liens on real property:

15 a. On or about November 5, 2008, Realino M. paid an
16 advance fee of \$2,995 to CAMINO REALTY. The advance fee was
17 collected pursuant to the provisions of an agreement pertaining
18 to loan solicitation, negotiation, and modification services to
19 be provided by CAMINO REALTY with respect to a loan secured by
20 the real property located at 720 East 31st Street, Los Angeles,
21 California 90011.

22 b. On or about February 13, 2009, Eduardo A. paid an
23 advance fee of \$2,995 to CAMINO REALTY MORTGAGE. The advance
24 fee was collected pursuant to the provisions of an agreement
25 pertaining to loan solicitation, negotiation, and modification
26 services to be provided by CAMINO REALTY MORTGAGE with respect
27

1 to a loan secured by the real property located at 153414 S.
2 White Avenue, Compton, California 90221.

3 c. On or about April 16, 2009, Marcell R. paid an
4 advance fee of \$3,000 to CAMINO REALTY. The advance fee was
5 collected pursuant to the provisions of an agreement pertaining
6 to loan solicitation, negotiation, and modification services to
7 be provided by CAMINO REALTY with respect to a loan secured by
8 the real property located at 1101 W. Holland Avenue, Fresno,
9 California 93705.

10 11.

11 Respondents collected the advance fees described in
12 Paragraph 10, above, pursuant to the provisions of an agreement
13 which constitutes an advance fee agreement within the meaning of
14 Code Sections 10026 and 10085.

15 12.

16 Respondents failed to submit the agreement referred to
17 in Paragraphs 10 and 11, above, to the Commissioner ten days
18 before using it in violation of Code Section 10085 and Section
19 2970, Title 10, Chapter 6, Code of Regulations ("Regulations").
20

21 13.

22 The conduct, acts and/or omissions of Respondents, as
23 set forth above, are cause for the suspension or revocation of
24 the licenses and license rights of Respondents pursuant to Code
25 Sections 10085, 10177(d) and/or 10177(g).

26 ///

27 ///

SECOND CAUSE OF ACCUSATION

(Employing Unlicensed Individuals to Perform Activities Requiring a License)

14.

Complainant hereby incorporates by reference the allegations set forth in Paragraphs 1 through 13, above.

15.

The activities described in Paragraph 10, supra, require a real estate license under Sections 10131(d) and 10131.2 of the Code. Respondents violated Section 10137 of the Code by employing and/or compensating individuals who were not licensed as a real estate salesperson or as a broker to perform activities requiring a license as follows:

a. Respondents employed and/or compensated Daniel Avila to perform some or all of the services alleged in Paragraph 10, subsections (a) and (b), above, though he was not licensed as a real estate salesperson or broker.

b. Respondents employed and/or compensated Margarita Barcenas to perform some or all of the services alleged in Paragraph 10, subsection (c), above, though she was not licensed as a real estate salesperson or broker.

16.

The conduct, acts and/or omissions of Respondents, as set forth in Paragraph 15, above, violate Code Section 10137, and are cause for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Sections 10137, 10177(d) and/or 10177(g).

THIRD CAUSE OF ACCUSATION

(Audit Violations - CAMINO REALTY MORTGAGE)

17.

Complainant hereby incorporates by reference the allegations set forth in Paragraphs 1 through 16, above.

18.

On or about September 7, 2010, the Department completed an audit examination of the books and records of CAMINO REALTY MORTGAGE pertaining to the real estate activities described in Paragraph 8, above, covering a period from January 1, 2009, to May 28, 2010.

19.

At all times mentioned herein, and in connection with the activities described in Paragraph 8, above, CAMINO REALTY MORTGAGE accepted or received funds, including advance fees to be held in trust ("trust funds") from or on behalf of actual or prospective parties to transactions handled by respondents, and thereafter made deposits and/or disbursements of such funds. From time-to-time herein mentioned during the audit period, said trust funds were deposited into two bank accounts maintained by respondents as follows:

BA #1

Account Name: "Camino Realty Mortgage Services Inc"
Account No. 0928-0000296xxx-x
Bank Name: Chase, P.O. Box 260180, Baton Rouge, La. 70826
Signatories: CORONA (Designated Officer)
Margarita Barcenas (Unlicensed)
Opened: May 28, 2009

BA #2

1 Account Name: "Camino Realty Mortgage Services Inc"
Account No. 1506xxxx
2 Bank Name: Farmers & Merchants Bank, P.O. Box 1370, Long
Beach, Ca. 90801
3 Signatories: CORONA (Designated Officer)
Juan Corona (Licensed)
4 Concepcion Martinez (Licensed)
5 Margarita Barcenás (Unlicensed)
Closed: October 30, 2009

6
7 20.

8 The audit examination revealed violations of the Code
9 and the Regulations by CAMINO REALTY MORTGAGE, as set forth in
10 the following paragraphs, and more fully discussed in Audit
11 Report No. LA 090244 and the exhibits and work papers attached to
12 the audit report:

13 (a) Overcharged the borrower's credit report fees at
14 the close of escrow in nine out of twelve loan files examined in
15 violation of Code Section 10176(g) prohibiting the claiming or
16 taking of any secret or undisclosed amount of compensation.

17 (b) Deposited the overcharged credit report fees
18 received at the time the loans were funded, along with broker
19 loan commissions, into the business accounts of CAMINO REALTY
20 MORTGAGE (BA #1 and BA #2), thereby commingling the overcharged
21 credit report fees with the funds of CAMINO REALTY MORTGAGE until
22 the overcharged fees were refunded to the borrowers in violation
23 of Code Sections 10145 and 10176(e) and Section 2832 of the
24 Regulations.

25 (c) Deposited credit report fees charged to the
26 borrowers at the close of escrows and received from escrow
27

1 companies into the business accounts of CAMINO MORTGAGE REALTY
2 (BA #1 and BA #2), thereby commingling the credit report fees in
3 violation of Code Sections 10145 and 10176(e) and Section 2832 of
4 the Regulations.

5 (d) Failed to maintain a columnar record in
6 chronological order of all credit report fees received at the
7 close of escrow which were deposited into the business accounts
8 of CAMINO MORTGAGE REALTY (BA #1 and BA #2) in violation of Code
9 Section 10145 and Section 2831 of the Regulations.

10 (e) Failed to maintain a separate record for the
11 credit report fees that were received at the close of escrow and
12 were deposited into the business accounts of CAMINO REALTY
13 MORTGAGE in violation of Code Section 10145 and Section 2831.1 of
14 the Regulations.

15 (f) Respondents acted without Department authorization
16 in using several fictitious business names to engage in
17 activities requiring the issuance of a real estate license in
18 violation of Code Section 10159.5 and Section 2731 of the
19 Regulations.
20

21 DISCIPLINE STATUTES AND REGULATIONS

22 21.

23 The conduct of CAMINO REALTY MORTGAGE described in
24 Paragraph 20, above, violated the Code and the Regulations as set
25 forth below:

26 PARAGRAPH

PROVISIONS VIOLATED

27 20(a)

Code Section 10176(g)

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- 20 (b) Code Sections 10145 and 10176(e);
Section 2832 of the Regulations
- 20 (c) Code Sections 10145 and 10176(e);
Section 2832 of the Regulations
- 20 (d) Code Section 10145 and Section 2831
of the Regulations
- 20 (e) Code Section 10145 and Section
2831.1 of the Regulations
- 20 (f) Code Section 10159.5 and Section
2731 of the Regulations

22.

The foregoing violations, as set forth hereinabove, constitute cause for the suspension or revocation of the real estate licenses and license rights of CAMINO REALTY MORTGAGE under the provisions of Code Sections 10177(d) for violation of the Real Estate Law and/or 10177(g) for negligence or incompetence, and Code Sections 10176(e) for commingling and 10176(g) for secret or undisclosed compensation.

FOURTH CAUSE OF ACCUSATION

(Audit Violations - CAMINO REALTY INC.)

23.

Complainant hereby incorporates by reference the allegations set forth in Paragraphs 1 through 22, above.

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24.

1 On or about October 27, 2010, the Department completed
2 an audit examination of the books and records of CAMINO REALTY
3 INC. pertaining to the real estate activities described in
4 Paragraphs 8 and 9, above, covering a period from January 1,
5 2009, to May 28, 2010.
6

7 25.

8 At all times mentioned herein, and in connection with
9 the activities described in Paragraphs 8 and 9, above, CAMINO
10 REALTY INC. accepted or received funds, including advance fees to
11 be held in trust ("trust funds") from or on behalf of actual or
12 prospective parties to transactions handled by CAMINO REALTY
13 INC., and thereafter made deposits and/or disbursements of such
14 funds. From time-to-time herein mentioned during the audit
15 period, said trust funds were deposited into two bank accounts
16 maintained by respondents as follows:
17

18 BA #1

19 Account Name: "Camino Realty Mortgage Services Inc"
20 Account No. 0928-0000296xxx-x
21 Bank Name: Chase, P.O. Box 260180, Baton Rouge, La. 70826
22 Signatories: CORONA (Designated Officer)
Margarita Barcenas (Unlicensed)
23 Opened: May 28, 2009

24 BA #2

25 Account Name: "Camino Realty Mortgage Services Inc"
26 Account No. 1506xxxx
27 Bank Name: Farmers & Merchants Bank, P.O. Box 1370, Long
Beach, Ca. 90801
Signatories: CORONA (Designated Officer)
Juan Corona (Licensed)
Concepcion Martinez (Licensed)
Margarita Barcenas (Unlicensed)

1 Closed: October 30, 2009

2 26.

3 The audit examination revealed violations of the Code
4 and the Regulations by CAMINO REALTY INC., as set forth in the
5 following paragraphs, and more fully discussed in Audit Report
6 No. LA 100013 and the exhibits and work papers attached to the
7 audit report:

8 (a) Permitted, allowed or caused the withdrawal or
9 disbursement of trust funds from BA #1 so that as of May 28,
10 2010, BA #1 had a shortage of \$714.27. Respondents caused,
11 permitted and/or allowed said withdrawal or disbursement of trust
12 funds from BA #1 so that the total of aggregate funds remaining
13 in BA #1 was less than the existing aggregate trust fund
14 liability of CAMINO REALTY INC. to every principal who was an
15 owner of said funds without first obtaining the prior written
16 consent of the owners of said funds as is required by Code
17 Section 10145 and Section 2832.1 of the Regulations.
18

19 (b) Permitted, allowed or caused the withdrawal or
20 disbursement of trust funds from BA #2 so that as of October 30,
21 2009, BA #2 had a shortage of \$10,459. Respondents caused,
22 permitted and/or allowed said withdrawal or disbursement of trust
23 funds from BA #2 so that the total of aggregate funds remaining
24 in BA #2 was less than the existing aggregate trust fund
25 liability of CAMINO REALTY INC. to every principal who was an
26 owner of said funds without first obtaining the prior written
27 consent of the owners of said funds as is required by Code

1 Section 10145 and Section 2832.1 of the Regulations.

2 (c) Contracted to collect and collected advance fees
3 pursuant to a written agreement in connection with loan
4 modification activities without submitting the written agreement
5 to the Commissioner ten days before using it in violation of Code
6 Section 10085 and Section 2970 of the Regulations.

7 (d) Failed to deposit the advance fees described in
8 Paragraph 25(c), above, into a real estate broker trust account
9 and instead deposited them into BA #1 and BA #2 in violation of
10 Code Section 10146.

11 (e) Collected advance fees from borrowers in
12 connection with loan modification activities without maintaining
13 and providing an accounting content to borrowers showing the
14 services to be rendered, which trust account the advance fee
15 funds were deposited to and the details of how the funds were
16 disbursed in violation of Code Section 10146 and Section 2972 of
17 the Regulations.

18 (f) Commingled trust funds with general funds by
19 depositing advance fees to BA #1 and BA#2 in violation of Code
20 Sections 10176(e) and 10145, and Section 2832 of the Regulations.

21 (g) Failed to maintain a control record in the form of
22 a columnar record in chronological order of all trust funds
23 including advance fees received, deposited and disbursed, in
24 violation of Code Section 10145 and Section 2831 of the
25 Regulations.
26
27

1 (h) Failed to maintain a separate record for each
2 beneficiary of advance fee trust funds thereby failing to account
3 for all advance fees collected, in violation of Code Section
4 10145 and Section 2831.1 of the Regulations.

5 (i) Converted trust funds deposited into BA #1 and BA
6 #2, its general business accounts to be used for its general
7 operating expenses, thereby causing the amount of trust funds
8 contained in BA #1 and BA #2 to fall below the amount of trust
9 funds deposited into those accounts in violation of Sections
10 10145 and 10176(i).

11 (j) Authorized an unlicensed and unbonded person,
12 Margarita Barcenas, to sign on BA #1 and BA #2 in violation of
13 Code Section 10145 and Section 2834 of the Regulations.

14 (k) Permitted unlicensed person Margarita Barcenas to
15 solicit homeowners and/or to negotiate rates and terms of the
16 loan with various lenders and compensated her for services
17 rendered in violation of Code Section 10137.

18
19 DISCIPLINE STATUTES AND REGULATIONS

20 27.

21 The conduct of CAMINO REALTY INC. described in
22 Paragraph 26, above, violated the Code and the Regulations as set
23 forth below:

24 PARAGRAPH

PROVISIONS VIOLATED

25 26(a)

26 Code Section 10145 and Section
27 2832.1 of the Regulations

- 1 26(b) Code Sections 10145 and Section
- 2 2832.1 of the Regulations
- 3 26(c) Code Section 10085 and Section 2970
- 4 of the Regulations.
- 5 26(d) Code Section 10146
- 6
- 7 26(e) Code Section 10146 and Section 2972
- 8 of the Regulations
- 9 26(f) Code Sections 10176(e) and 10145
- 10 and Section 2832 of the Regulations
- 11 26(g) Code Section 10145 and Section 2831
- 12 of the Regulations
- 13 26(h) Code Section 10145 and Section
- 14 2831.1 of the Regulations
- 15 26(i) Code Sections 10145 and 10176(i)
- 16
- 17 26(j) Code Section 10145 and Section 2834
- 18 of the Regulations
- 19 26(k) Code Sections 10130 and 10137
- 20 28.

21 The foregoing violations, as set forth hereinabove,
22 constitute cause for the suspension or revocation of the real
23 estate licenses and license rights of CAMINO REALTY INC. under
24 the provisions of Code Sections 10177(d) for violation of the
25 Real Estate Law and/or 10177(g) for negligence or incompetence,
26 and Code Sections 10176(e) for commingling and 10176(i) for
27 conversion.

FIFTH CAUSE OF ACCUSATION
(Failure to Supervise)

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29.

Complainant hereby incorporates by reference the allegations set forth in Paragraphs 1 through 28, above.

30.

CORONA ordered, caused, authorized or participated in the conduct of CAMINO REALTY MORTGAGE and CAMINO REALTY INC., as is alleged in this Accusation.

31.

The conduct, acts and/or omissions of CORONA in allowing CAMINO REALTY MORTGAGE and CAMINO REALTY INC. to violate the Real Estate Law, as set forth above, constitutes a failure by CORONA, as the officer designated by the corporate broker licensees, to exercise the supervision and control over the activities of CAMINO REALTY MORTGAGE and CAMINO REALTY INC., as required by Code Section 10159.2, and is cause to suspend or revoke the real estate licenses and license rights of CORONA under Code Sections 10177(d), 10177(g) and/or 10177(h).

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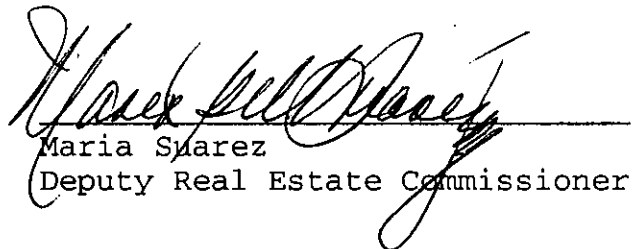
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all the licenses and license rights of Respondents
5 CAMINO REALTY MORTGAGE SERVICES, INC.; CAMINO REALTY, INC.; and
6 OCTAVIO CORONA under the Real Estate Law (Part 1 of Division 4 of
7 the Business and Professions Code), and for such other and
8 further relief as may be proper under other applicable provisions
9 of law.

10 Dated at Los Angeles, California

11 this 18th day of October, 2011.

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14 
15 Maria Suarez
16 Deputy Real Estate Commissioner
17
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25 cc: CAMINO REALTY MORTGAGE SERVICES, INC.
26 CAMINO REALTY, INC.
27 OCTAVIO CORONA
Maria Suarez
Sacto