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Dept. of Real Estate

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APR - 3 2012

DEPARTMENT OF REAL ESTATE
BY: Suzanne Valencia

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-37848 LA
)	
GOLDEN FEATHER REALTY INC; and)	
ERIC H. SANCHEZ, individually and)	<u>FIRST AMENDED</u>
as designated officer of Golden)	<u>ACCUSATION</u>
Feather Realty Inc.,)	
)	
Respondents.)	

17 This Accusation amends the Accusation filed on February
18 9, 2012. The Complainant, Robin Trujillo, a Deputy Real Estate
19 Commissioner of the State of California, for cause of Accusation
20 against GOLDEN FEATHER REALTY INC and ERIC H. SANCHEZ,
21 individually and as designated officer of Golden Feather Realty
22 Inc, alleges as follows:

23 1.

24 The Complainant, Robin Trujillo, acting in her official
25 capacity as a Deputy Real Estate Commissioner of the State of
26 California, makes this Accusation against GOLDEN FEATHER REALTY
27 INC and ERIC H. SANCHEZ.

1 2.

2 All references to the "Code" are to the California
3 Business and Professions Code and all references to "Regulations"
4 are to Title 10, Chapter 6, California Code of Regulations.

5 LICENSE HISTORY

6 3.

7 A. At all times mentioned, GOLDEN FEATHER REALTY INC
8 ("GFRI") and ERIC H. SANCHEZ ("SANCHEZ") were licensed or had
9 license rights issued by the Department of Real Estate
10 ("Department") as real estate brokers.

11 B. At all times mentioned, GFRI was licensed by the
12 Department as a corporate real estate broker by and through
13 SANCHEZ, as the designated officer and broker responsible,
14 pursuant to Code Section 10159.2 for supervising the activities
15 requiring a real estate license conducted on behalf of GFRI by
16 GFRI's officers, agents and employees. GFRI was originally
17 licensed on May 1, 2009.

18 C. At all times mentioned, ERIC H. SANCHEZ ("SANCHEZ")
19 was licensed or had license rights issued by the Department as a
20 real estate broker. On May 19, 2001, SANCHEZ was originally
21 licensed as a real estate broker. Since May 1, 2009, SANCHEZ has
22 been licensed as the designated officer of GFRI.

23 BROKERAGE

24 GOLDEN FEATHER REALTY INC

25 4.

26 At all times mentioned, in the City of Downey, County
27 of Los Angeles, GFRI and SANCHEZ acted as real estate brokers

1 conducting licensed activities within the meaning of Code Section
2 10131(a) by selling or offering to sell, or negotiating the
3 purchase sale, or exchange of real property.

4 FIRST CAUSE OF ACCUSATION

5 AUDIT OF GOLDEN FEATHER REALTY INC

6 5.

7 On June 27, 2011, the Department completed an audit
8 examination of the books and records of GFRI pertaining to the
9 sales and escrow activities described in Paragraph 4 which
10 require a real estate license. The audit examination covered a
11 period of time beginning on September 1, 2007 to August 31, 2010.
12 The audit examination revealed violations of the Code and the
13 Regulations as set forth in the following paragraphs, and as more
14 fully discussed in Audit Report LA 100044 and the exhibits and
15 workpapers attached to said audit report.

16 TRUST ACCOUNT

17 6.

18 During the audit period GFRI did not maintain a trust
19 account.

20 VIOLATIONS OF THE REAL ESTATE LAW

21 7.

22 In the course of activities described in Paragraph 4
23 above, and during the examination period described in Paragraph
24 5, Respondents GFRI and SANCHEZ acted in violation of the Code
25 and the Regulations in that:

26 (a) There was a shortage of \$67,874 in GFRI's bank
27 account as of August 12, 2010. The shortage was due to

1 unauthorized disbursements totaling \$67,678.60 and unidentified
2 shortage of \$2.98. This was in violation of Code Section
3 10145(a), and Regulations 2832.1, 2950(d) and 2950(g), as applied
4 through Regulation 2951.

5 (b) GFRI failed to maintain control records for trust
6 funds received and disbursed for escrow transactions during the
7 audit period, in violation of Code Section 10145 and Regulations
8 2831 and 2950(d), as applied through Regulation 2951

9 (c) GFRI failed to accurately maintain a separate
10 record for each beneficiary in their escrow transactions,
11 violation of Code Section 10145 and Regulations 2831.1 and
12 2950(d), as applied through Regulation 2951.

13 (d) GFRI failed to reconcile the control record to the
14 separate records on a monthly basis, in violation of Code Section
15 10145 and Regulations 2831.2 and 2950(d), as applied through
16 Regulation 2951.

17 (e) GFRI commingled trust funds with general business
18 funds, in violation of Code Sections 10145, 10176(e) and
19 Regulation 2832.

20 (f) SANCHEZ disbursed trust funds for his personal
21 use. The balance in GFRI's bank account was reduced to an amount
22 less than the amount of trust funds deposited, in violation of
23 Code Section 10145 and 10177(j).

24 (g) The license certificates of salespersons licensed
25 to GFRI were not made available for inspection, in violation of
26 Code Section 10160 and Regulation 2753.

27 (h) The broker-salesperson relationship agreements

1 between GFRI and its salespersons were not made available for
2 examination, in violation of Regulation 2726.

3 (i) GFRI used a fictitious business name in its escrow
4 activities without first obtaining a license from the Department
5 bearing the fictitious business name, in violation of Code
6 Section 10159.5 and Regulation 2731.

7 (j) GFRI failed to retain some books and records of
8 escrow activities, in violation of Code Section 10148.

9 (k) GFRI failed to disclose its financial interest in
10 the agency holding the escrow on the escrow instructions, in
11 violation of Regulation 2950(h).

12 8.

13 The conduct of Respondents GFRI and SANCHEZ, described
14 in Paragraph 7, above, violated the Code and the Regulations as
15 set forth below:

16	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
17		
18	7(a)	Code Section 10145(a) and
19		Regulations 2832.1, 2950(d) and
20		2950(g)
21		
22	7(b)	Code Section 10145 and Regulations
23		2831 and 2950(d)
24		
25	7(c)	Code Section 10145 and Regulations
26		2831.1 and 2950(d)
27		

- 1 7(d) Code Section 10145 and Regulations
2 2831.2 and 2950(d)
3
4 7(e) Code Sections 10145, 10176(e) and
5 Regulation 2832
6
7 7(f) Code Section 10145 and 10177(j)
8
9 7(g) Code Section 10160 and Regulation
10 2753
11
12 7(h) Regulation 2726
13
14 7(i) Code Section 10159.5 and Regulation
15 2731
16
17 7(j) Code Section 10148
18
19 7(k) Regulation 2950(h) .
20

21 The foregoing violations constitute cause for the
22 suspension or revocation of the real estate license and license
23 rights of GFRI and SANCHEZ, under the provisions of Code Sections
24 10165, 10176(e), 10177(j), 10177(d) and/or 10177(g).

25 NEGLIGENCE

26 9.

27 The overall conduct of Respondents GFRI and SANCHEZ

1 constitutes negligence or incompetence. This conduct and
2 violation are cause for the suspension or revocation of the real
3 estate license and license rights of said Respondents pursuant to
4 Code Section 10177(g).

5 SUPERVISION AND COMPLIANCE

6 10.

7 The overall conduct of Respondent SANCHEZ constitutes a
8 failure on his part, as officer designated by a corporate broker
9 licensee, to exercise the reasonable supervision and control over
10 the licensed activities of GFRI as required by Code Section
11 10159.2, and to keep GFRI in compliance with the Real Estate Law,
12 and is cause for the suspension or revocation of the real estate
13 license and license rights of SANCHEZ pursuant to the provisions
14 of Code Sections 10177(d), 10177(g) and 10177(h).

15 SECOND CAUSE OF ACCUSATION

16 SANCHEZ CRIMINAL CONVICTIONS

17 11.

18 On or about November 24, 2010, in the Superior Court of
19 California, County of Los Angeles, in Case No. KA092316, SANCHEZ
20 was convicted of violating California Penal Code Sections
21 530.5(a) (identity theft), 470(a) (forgery), and 487(a)
22 (grand theft), all of which were felonies. Said crimes bear a
23 substantial relationship to the qualifications, functions or
24 duties of a real estate licensee under Section 2910, Title 10,
25 Chapter 6, California Code of Regulations.

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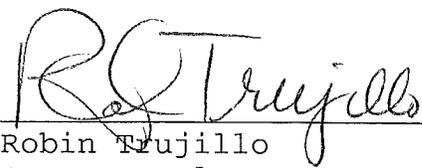
12.

The crimes of which SANCHEZ was convicted, as described in Paragraph 11 above, constitute cause under Sections 490 and 10177(b) of the Code for the suspension or revocation of the license and license rights of SANCHEZ under the Real Estate Law.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against the licenses and license rights of Respondents GOLDEN FEATHER REALTY INC and ERIC H. SANCHEZ, individually and as designated officer of Golden Feather Realty Inc, under the Real Estate Law, that Complainant be awarded its costs of investigation and prosecution of this case, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California

this 29 day of March, 2012



Robin Trujillo
Deputy Real Estate Commissioner

cc: GOLDEN FEATHER REALTY INC
ERIC H. SANCHEZ
Robin Trujillo
Sacto
Audits