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DEPARTMENT OF REAL ESTATE
BY: Quynh Nguyen

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 TRANSWORLD GROUP INC)
13 and KENNETH JAMES PELTZ,)
14 individually and as designated)
15 officer of Transworld Group Inc,)
16 Respondents.)

No. H-38065 LA

A C C U S A T I O N

17 The Complainant, Robin Trujillo, a Deputy Real Estate
18 Commissioner of the State of California, for cause of Accusation
19 against TRANSWORLD GROUP INC and KENNETH JAMES PELTZ,
20 individually, and as designated officer of Transworld Group Inc,
21 alleges as follows:

22 1.

23 The Complainant, Robin Trujillo, acting in her official
24 capacity as a Deputy Real Estate Commissioner of the State of
25 California, makes this Accusation against TRANSWORLD GROUP INC
26 and KENNETH JAMES PELTZ, individually, and as designated officer
27 of Transworld Group Inc.

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, TRANSWORLD GROUP INC
8 ("TRANSWORLD") was licensed or had license rights issued by the
9 Department of Real Estate ("Department") as a corporate real
10 estate broker.

11 B. At all times mentioned, KENNETH JAMES PELTZ
12 ("PELTZ") was licensed or had license rights issued by the
13 Department as a real estate broker. From November 19, 2011
14 through the present, PELTZ has been the designated officer for
15 TRANSWORLD.

16 C. On September 10, 1991, PELTZ signed a Stipulation
17 and Agreement before the Department in Case No. H-24569 LA, in
18 which PELTZ stipulated to a violation of Code Section 10137.
19 The Stipulation and Agreement, which became effective on October
20 24, 1991, suspended the license and license rights of PELTZ for
21 thirty (30) days, with ten (10) days stayed upon payment of a
22 monetary penalty and twenty (20) more days stayed upon certain
23 terms and conditions.

24 BROKERAGE

25 4.

26 At all times mentioned, TRANSWORLD and PELTZ acted as
27 real estate brokers conducting licensed activities within the

1 meaning of Code Section 10131(a) and 10131(d) by selling or
2 offering to sell real property, and by negotiating loans or
3 performing services for borrowers in connection with loans
4 secured directly or collaterally by liens on real property.

5 AUDIT

6 5.

7 On May 31, 2011, the Department completed an audit
8 examination of the books and records of TRANSWORLD and PELTZ,
9 pertaining to the sales and loan modification activities
10 described in Paragraph 4 which require real estate licenses. The
11 audit examination covered a period of time from February 1, 2008
12 to January 31, 2011. The audit examination revealed violations
13 of the Code and the Regulations as set forth in the following
14 paragraphs, and as more fully discussed in Audit Report LA10155
15 and the exhibits and workpapers attached to said audit report.

16 TRUST ACCOUNT

17 6.

18 During the audit period, TRANSWORLD did not maintain a
19 trust account.
20

21 VIOLATIONS OF THE REAL ESTATE LAW

22 7.

23 In the course of activities described in Paragraph 4
24 above, and during the examination period described in Paragraph
25 5, TRANSWORLD and PELTZ acted in violation of the Code and the
26 Regulations in that:
27

1 (a) TRANSWORLD commingled advance fees received from
2 borrowers in TRANSWORLD's general account, in violation of Code
3 Section 10176(e) and Regulation 2835.

4 (b) TRANSWORLD failed to keep a record of all trust
5 funds received and disbursed for advance fees deposited in its
6 general account, in violation of Code Section 10145 and
7 Regulation 2831.

8 (c) With respect to advance fees paid into
9 TRANSWORLD's general account, there were no separate records kept
10 and no reconciliation with records of all trust funds received
11 and disbursed, in violation of Code Section 10145 and Regulation
12 2831.2.

13 (d) TRANSWORLD failed to maintain a separate record
14 for the beneficiaries of the advance fees deposited into
15 TRANSWORLD's general account, in violation of Code Section 10145
16 and Regulation 2831.1.

17 (e) TRANSWORLD collected advance fees from borrowers
18 and did not deposit the advance fees into a trust account, in
19 violation of Code Section 10146.

20 (f) TRANSWORLD collected advance fees from borrowers
21 in connection with loan modification transactions without
22 submitting an advance fee agreement to the Commissioner 10 days
23 before its use, in violation of Code Section 10085 and Regulation
24 2970.

25 (g) TRANSWORLD collected advance fees from borrowers
26 in connection with loan modification transactions without
27

1 providing an accounting of the fees to its clients, in violation
2 of Code Section 10146 and Regulation 2972.

3 (h) TRANSWORLD did not retain original salespersons'
4 licenses at its main business office and did not make them
5 available for inspection by the auditor, in violation of Code
6 Section 10160 and Regulation 2753.

7 8.

8 The conduct of Respondents, as described in Paragraph
9 7, above, violated the Code and the Regulations as set forth
10 below:

11	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
12	7(a)	Code Section 10176(e) and
13		Regulation 2835
14	7(b)	Code Section 10145 and Regulation
15		2831
16	7(c)	Code Section 10145 and Regulation
17		2831.2
18	7(d)	Code Section 10145 and Regulation
19		2831.1
20	7(e)	Code Section 10146
21	7(f)	Code Section 10085 and Regulation
22		2970
23	7(g)	Code Section 10146 and Regulation
24		2972
25	7(h)	Code Section 10160 and Regulation
26		2753

27

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 the license and license rights of TRANSWORLD GROUP
5 INC and KENNETH JAMES PELTZ, individually, and as designated
6 officer of Transworld Group Inc, under the Real Estate Law, that
7 Complainant be awarded its costs of investigation and prosecution
8 of this case, and for such other and further relief as may be
9 proper under other applicable provisions of law.

10 Dated at Los Angeles, California

11
12 this 5 day of April, 2012.

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14 _____
15 Robin Trujillo
16 Deputy Real Estate Commissioner
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23

24 cc: KENNETH JAMES PELTZ
25 TRANSWORLD GROUP INC
26 Robin Trujillo
27 Sacto
 Audits