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**FILED**

JUL 16 2012

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DEPARTMENT OF REAL ESTATE  
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8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11	In the Matter of the Accusation of )	No. H- 38267 LA
12	WALLSTREET REALTY AND )	<u>A C C U S A T I O N</u>
13	INVESTMENTS, INC.; MARIO N. )	
14	LOPEZ, as former designated )	
15	officer of Wallstreet Realty )	
16	and Investments, Inc.; and )	
17	SERGIO TAFOLLA, as former )	
18	designated officer of )	
	Wallstreet Realty and )	
	Investments, Inc., )	
	Respondents. )	
	_____ )	

19  
20 The Complainant, Maria Suarez, a Deputy Real Estate  
21 Commissioner of the State of California, acting in her official  
22 capacity, for cause of Accusation against WALLSTREET REALTY AND  
23 INVESTMENTS, INC. ("WALLSTREET"), MARIO N. LOPEZ dba First Class  
24 Mortgage and Realty ("LOPEZ"), and SERGIO TAFOLLA ("TAFOLLA"),  
25 is informed and alleges as follows:

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1 1.

2 The Complainant, Maria Suarez, makes this Accusation  
3 in her official capacity.

4 2.

5 All references to the "Code" are to the California  
6 Business and Professions Code, and all references to  
7 "Regulations" are to Title 10, Chapter 6, California Code of  
8 Regulations unless otherwise specified.

9 3.

10 A. WALLSTREET REALTY AND INVESTMENTS, INC.: From or  
11 about April 18, 2008 through the present, Respondent WALLSTREET  
12 was licensed or had license rights under the Real Estate Law  
13 (Part 1 of Division 4 of the California Business and Professions  
14 Code) as a real estate corporation. The license of WALLSTREET  
15 expired on or about April 17, 2012, but WALLSTREET still retains  
16 license rights pursuant to Code Section 10201. The Department  
17 of Real Estate retains jurisdiction over the license pursuant to  
18 California Business and Professions Code Section 10103.

19 B. MARIO N. LOPEZ: From or about February 11, 2003  
20 through or about February 10, 2011 and from or about April 29,  
21 2011 through the present, LOPEZ was licensed or had license  
22 rights issued by the Department of Real Estate as a real estate  
23 broker. On September 8, 1995, LOPEZ was originally licensed as  
24 a real estate salesperson. From or about April 18, 2008 through  
25 or about November 11, 2008 and from or about October 5, 2009  
26 through or about April 17, 2012, Respondent LOPEZ was the  
27 designated officer and broker responsible of WALLSTREET pursuant

1 to Code Section 10159.2 for supervising the activities requiring  
2 a real estate license conducted on behalf of WALLSTREET by  
3 WALLSTREET's officers, agents, and employees, including LOPEZ  
4 and TAFOLLA as herein set forth.

5 B. SERGIO TAFOLLA: From September 11, 2007 through  
6 the present, TAFOLLA was licensed or had license rights issued  
7 by the Department of Real Estate as a real estate broker. From  
8 or about November 12, 2008 through or about September 14, 2009,  
9 Respondent TAFOLLA was the designated officer and broker  
10 responsible of WALLSTREET pursuant to Code Section 10159.2 for  
11 supervising the activities requiring a real estate license  
12 conducted on behalf of WALLSTREET by WALLSTREET's officers,  
13 agents, and employees, including LOPEZ and TAFOLLA as herein set  
14 forth.

15  
16 Brokerage

17 4.

18 At all times mentioned, in the City of Rancho  
19 Cucamonga, County of San Bernardino, Respondents WALLSTREET,  
20 LOPEZ, and TAFOLLA acted as real estate brokers and conducted  
21 licensed activities within the meaning of:

22 A. Code Section 10131(a). Respondents WALLSTREET,  
23 LOPEZ, and TAFOLLA operated a residential resale brokerage  
24 including the solicitation for listings or and the negotiation  
25 of the sale of property as the agent of others.

26 B. Code Section 10131(b). Respondents WALLSTREET,  
27 LOPEZ, and TAFOLLA operated a property management brokerage with

1 the public. Respondents leased or rented or offered to lease or  
2 rent, or placed for rent, or solicited listings of places for  
3 rent, or solicited for prospective tenants, or collected rents  
4 from real property, or improvements thereon.

5  
6 Audit

7 5.

8 On March 18, 2010, the Department of Real Estate  
9 completed an audit examination of the books and records of  
10 Respondent WALLSTREET pertaining to the property management and  
11 rental services activities described in Paragraph 3, herein,  
12 that require a real estate license. The audit examination  
13 covered a period of time from April 18, 2008 to December 31,  
14 2009. The audit examinations revealed violations of the Code  
15 and Regulations as set forth in the following paragraphs, and  
16 more fully discussed in Audit Report LA090150 and the exhibits  
17 and work papers attached to said audit report.

18  
19 Bank Account

20 6.

21 WALLSTREET did not maintain a trust fund during the  
22 audit period. WALLSTREET only maintained a general business  
23 bank account, as described below.

24 "Bank of America  
25 02447-\*\*\*\*\*"  
26 Cucamonga 56  
27 9719 Foothill Blvd.  
Rancho Cucamonga, CA 91730

(B/A #1)

1 Violations of the Real Estate Law

2 7.

3 In the course of activities described in Paragraph 4,  
4 herein, and during the examination period described in Paragraph  
5 5, herein, Respondents WALLSTREET, LOPEZ, and TAFOLLA acted in  
6 violation of the Code and Regulations in that Respondents:

7 (a) Failed to maintain a control record in the form  
8 of a columnar record in chronological order of all trust funds  
9 received, deposited, and disbursed, in violation of Code Section  
10 10145 and Regulation 2831.

11 (b) Failed to maintain an accurate and complete  
12 separate record for each beneficiary or transaction, thereby  
13 failing to account for all trust funds received, deposited, and  
14 disbursed from B/A #1, in violation of Code Section 10145 and  
15 Regulation 2831.1.

16 (c) Failed to perform a monthly reconciliation of the  
17 balance of all separate beneficiary or transaction records  
18 maintained pursuant to Regulation 2831.1 with the record of all  
19 trust funds received and disbursed by B/A #1, in violation of  
20 Code Section 10145 and Regulation 2831.2.

21 (d) Failed to designate B/A #1 as a trust account, in  
22 violation of Code Section 10145 and Regulation 2832(a).

23 (e) (1) Permitted Alfonso Rodriguez, owner of  
24 WALLSTREET, and Chris Palomares, an employee of WALLSTREET, both  
25 unlicensed and unbonded persons, to be the sole authorized  
26 signatories on B/A #1, into which were deposited trust funds for  
27

1 property owners and tenant rents, in violation of Code Section  
2 10145 and Regulation 2834(a).

3 (e) (2) Failed to have LOPEZ and/or TAFOLLA as a  
4 signatory on the B/A #1, in violation of Code Section 10145 and  
5 Regulation 2834(b).

6 (f) Commingled trust funds by depositing trust funds  
7 into B/A #1, WALLSTREET's general business account, in violation  
8 of Code Sections 10145 and 10176(e) and Regulation 2832.

9 (g) Collected rental application screening fees, as  
10 described in California Civil Code Section 1950.6, in excess of  
11 \$30.00 per applicant, in violation of Code Section 10176(g).

12 (h) Used the fictitious names of "Wallstreet Realty"  
13 to conduct licensed activities, including residential rental  
14 services, without holding a license bearing said fictitious  
15 business name, in violation of Code Section 10159.5 and  
16 Regulation 2731.

17 (i) Failed to retain the salesperson license  
18 certificates for Michael Romero Martinez and Louis H. Worthy II,  
19 in violation of Code Section 10160 and Regulation 2753.

20 (j) Failed to sign the broker-salesperson agreements  
21 with salespersons Michael Romero Martinez and Louis H. Worthy  
22 II, in violation of Regulation 2726.

23 (k) Failed to retain bank statements, trust records,  
24 and other documents connected to transactions for which a real  
25 estate broker license is required for activity during the period  
26 from April 18, 2008 to November 4, 2008, in violation of Code  
27 Section 10148.

1 (1) LOPEZ and TAFOLLA failed to exercise adequate  
2 supervision over WALLSTREET's activities requiring a real estate  
3 license to ensure compliance with the Real Estate Laws and  
4 Regulations, and had not system in place for regularly  
5 monitoring WALLSTREET's compliance with the Real Estate Law and  
6 Regulations, in violation of Code Sections 10159.2 and 10177(h)  
7 and Regulation 2725.

8 (m) WALLSTREET engaged in the business of a real  
9 estate broker by providing residential rental services during  
10 the period from September 16, 2008 to October 4, 2009 when it  
11 did not have a broker-officer, in violation of Code Sections  
12 10130 and Regulation 2740.

13  
14 Disciplinary Statutes and Regulations

15 8.

16 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
17 7(a)	Code Section 10145 and Regulation 2831
18 7(b)	Code Section 10145 and Regulation 2831.1
19 7(c)	Code Section 10145 and Regulation 2831.2
20 7(d)	Code Section 10145 and Regulation 2832(a)
21 7(e)	Code Section 10145 and Regulation 2834
22 7(f)	Code Sections 10145 and 10176(e) and Regulation 23 2832
24 7(g)	Code Section 10176(g)
25 7(h)	Code Section 10159.5 and Regulation 2731
26 7(i)	Code Section 10160 and Regulation 2753
27 7(j)	Regulation 2726

1 7(k) Code Section 10148  
2 7(l) Code Sections 10159.2 and 10177(h) and Regulation  
3 2725 (LOPEZ and TAFOLLA)  
4 7(m) Code Sections 10130 and Regulation 2740  
5 The foregoing violations constitute cause for the suspension or  
6 revocation of the real estate license and license rights of  
7 WALLSTREET, LOPEZ, and TAFOLLA under the provisions of Code  
8 Sections 10176(e), 10177(d) and/or 10177(g)..

9

10 Negligence

11 9.

12 The overall conduct of Respondents WALLSTREET, LOPEZ,  
13 and TAFOLLA constitutes negligence and is cause for discipline  
14 of the real estate license and license rights of said  
15 Respondents pursuant to the provisions of Code Section 10177(g).

16

17 Fiduciary Duty

18 10.

19 The overall conduct of Respondents WALLSTREET, LOPEZ,  
20 and TAFOLLA constitutes a breach of fiduciary duty with respect  
21 to the said Respondents' real estate consumers and clientele,  
22 including property owners and tenants. This conduct and  
23 violation are cause for the suspension or revocation of the real  
24 estate license and license rights of Respondents WALLSTREET,  
25 LOPEZ, and TAFOLLA pursuant to Code Section 10177(g).

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1                   Supervision and Compliance

2                                   11.

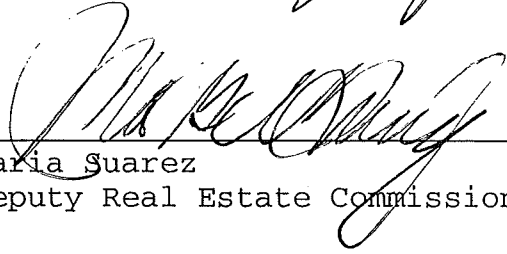
3                   The overall conduct of Respondents LOPEZ and TAFOLLA  
4 constitutes a failure to exercise the supervision and control  
5 over the licensed activities of Respondents' brokerage,  
6 WALLSTREET, as required by Code Section 10159.2 and Regulation  
7 2725, and failure to maintain a system in place for regularly  
8 monitoring and keep WALLSTREET in compliance with the Real  
9 Estate Law, with specific regard to establishing policies for  
10 reviewing trust fund handling and record keeping for trust funds  
11 handling of trust funds, in violation of Code Sections 10177(d)  
12 and/or 10177(g) and 10177(h).

13                   California Business and Professions Code Section  
14 10106 provides, in pertinent part, that in any order issued in  
15 resolution of a disciplinary proceeding before the department,  
16 the commissioner may request the administrative law judge to  
17 direct a licensee found to have committed a violation of this  
18 part to pay a sum not to exceed the reasonable costs of the  
19 investigation and enforcement of the case.

20                   WHEREFORE, Complainant prays that a hearing be  
21 conducted on the allegations of this Accusation and that upon  
22 proof thereof, a decision be rendered imposing disciplinary  
23 action against all licenses and/or license rights under the Real  
24 Estate Law (Part 1 of Division 4 of the California Business and  
25 Professions Code) of Respondents WALLSTREET REALTY AND  
26 INVESTMENTS, INC., MARIO N. LOPEZ, and SERGIO TAFOLLA, for the  
27 cost of investigation and enforcement as permitted by law,

1 including costs of audit, and for such other and further relief  
2 as may be proper under other provisions of law.

3 Dated at Los Angeles, California: 11 July, 2012.

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7 Maria Suarez  
8 Deputy Real Estate Commissioner  
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24 cc: Wallstreet Realty and Investment, Inc.  
25 Mario N. Lopez  
26 Sergio Tafolla  
27 Maria Suarez  
Sacto  
Audits - Zaky Wanis