

FILED

MAR 06 2014

BUREAU OF REAL ESTATE

By *J. [Signature]*

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-38267 LA
)	
<u>WALLSTREET REALTY AND</u>)	
<u>INVESTMENTS, INC.</u> ; MARIO N.)	
LOPEZ, as former designated)	
officer of Wallstreet Realty)	
and Investments, Inc.; and)	
SERGIO TAFOLLA, as former)	
designated officer of)	
Wallstreet Realty and)	
Investments, Inc.,)	
)	
Respondents.)	
)	

DECISION

This Decision is being issued in accordance with the provisions of California Government Code section 11520, on evidence of compliance with California Government Code section 11505 and pursuant to the Order of Default filed on February 28, 2014 and the findings of fact set forth herein are based on one or more of the following: (1) Respondent's express admissions; (2) affidavits; and (3) other evidence.

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

FINDINGS OF FACT

1.

On July 11, 2012, Maria Suarez made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed by certified mail, return receipt requested, and regular mail to Respondent's last known mailing address on file with the Bureau of Real Estate on July 16, 2012. No response has been received to date.

On February 28, 2014, no Notice of Defense having been filed herein within the time prescribed by California Government Code section 11506, Respondent's default was entered herein.

2.

Respondent WALLSTREET REALTY AND INVESTMENTS, INC. ("WALLSTREET") is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code as a corporate real estate broker. On April 17, 2012, WALLSTREET's license expired, but still retains license rights pursuant to California Business and Professions Code section 10201. Pursuant to California Business and Professions Code section 10103, the Bureau of Real Estate retains jurisdiction.

3.

At all times mentioned, in the State of California Respondent WALLSTREET engaged in the business of a real estate broker conducting license activities within the meaning of California Business and Professions Code sections 10131(a) and 10131(b). Respondent WALLSTREET operated a residential resale brokerage including the solicitation for listings and/or the negotiation of the sale of property as the agent of others, and operated a property management brokerage with the public.

Audit LA090150

4.

On March 18, 2010, the Bureau of Real Estate completed an audit examination of the books and records of Respondent WALLSTREET pertaining to the real estate activities described in Paragraph 3, above, which require a real estate license. The

audit examination covered a period of time from April 18, 2008 to December 31, 2009. The audit examination revealed violations of the Code and Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA090150 and the exhibits and work papers attached to said Audit Report.

Bank Account

5.

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

"Bank of America
02447-*****"
Cucamonga 56
9719 Foothill Blvd.
Rancho Cucamonga, CA 91730

(B/A #1)

VIOLATIONS

6.

In the course of activities described in Paragraph 3, above, and during the examination period described in Paragraph 4, above, Respondent WALLSTREET acted in violation of the Code and the Regulations as set forth below:

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

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

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

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

(e)(1) Permitted Alfonso Rodriguez, owner of WALLSTREET, and Chris Palomares, an employee of WALLSTREET, both unlicensed and unbonded persons, to be the sole authorized signatories on B/A #1, into which were deposited trust funds for property owners and tenant rents, in violation of Code section 10145 and Regulation 2834(a).

(e)(2) Failed to have its designated brokers, Mario N. Lopez and/or Sergio Tafolla, as a signatory on the B/A #1, in violation of Code section 10145 and Regulation 2834(b).

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

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

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

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

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

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

(l) Engaged in the business of a real estate broker by providing residential rental services during the period from September 16, 2008 to October 4, 2009 when it did not have a broker-officer, in violation of Code section 10130 and Regulation 2740.

Negligence

7.

The overall conduct of Respondent WALLSTREET constitutes negligence and is cause for discipline of the real estate license and license rights of WALLSTREET pursuant to the provisions of Code section 10177(g).

Fiduciary Duty

8.

The overall conduct of Respondent WALLSTREET constitutes a breach of fiduciary duty with respect to WALLSTREET's real estate consumers and clientele, including property owners and tenants. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of Respondent WALLSTREET pursuant to Code section 10177(g).

DETERMINATION OF ISSUES

Disciplinary Statutes

1.

The conduct, acts, and/or omissions of Respondent WALLSTREET, described in Paragraphs 6 through 8, above, violated the Code and Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
7(a)	Code section <u>10145</u> and Regulation <u>2831</u>
7(b)	Code section 10145 and Regulation <u>2831.1</u>
7(c)	Code section 10145 and Regulation <u>2831.2</u>
7(d)	Code section 10145 and Regulation <u>2832(a)</u>
7(e)	Code section 10145 and Regulation <u>2834</u>
7(f)	Code sections 10145 and <u>10176(e)</u> and Regulation <u>2832</u>
7(g)	Code section <u>10176(g)</u>
7(h)	Code section <u>10159.5</u> and Regulation <u>2731</u>
7(i)	Code section <u>10160</u> and Regulation <u>2753</u>
7(j)	Regulation <u>2726</u>
7(k)	Code section <u>10148</u>
7(l)	Code section <u>10130</u> and Regulation <u>2740</u>

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of Respondent WALLSTREET under the provisions of Code sections 10176(e), 10177(d), and/or 10177(g).

2.

The overall conduct of Respondent WALLSTREET constitutes negligence and is cause for discipline of the real estate license and license rights of WALLSTREET pursuant to the provisions of Code section 10177(g).

3.

The overall conduct of Respondent WALLSTREET constitutes a breach of fiduciary duty with respect to WALLSTREET's real estate consumers and clientele, including property owners and tenants. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of Respondent WALLSTREET pursuant to Code section 10177(g).

4.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

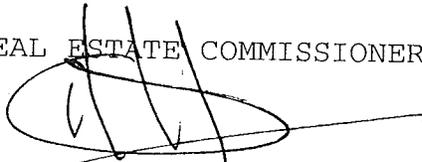
ORDER

The license and license rights of Respondent WALLSTREET REALTY AND INVESTMENTS, INC. under the provisions of Part I of Division 4 of the California Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on MAR 27 2014.

DATED: MAR 05 2014.

REAL ESTATE COMMISSIONER



JEFFREY MASON
Chief Deputy Commissioner

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FEB 28 2014

BUREAU OF REAL ESTATE

By: John Ayub

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STATE OF CALIFORNIA

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Respondents.)
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DEFAULT ORDER

Respondent WALLSTREET REALTY AND INVESTMENTS, INC., having failed to file a Notice of Defense within the time required by California Government Code section 11506 is now in default. It is, therefore, ordered that a default be entered on the record in this matter.

IT IS SO ORDERED February 28, 2014

Real Estate Commissioner

By: Ra Cores Weeks
Regional Manager