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FILED

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DEPARTMENT OF REAL ESTATE
BY: CS

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H-38368 LA
12)
13 SINAI MORTGAGE CORPORATION,) ACCUSATION
14 a corporate real estate broker,)
15 and WILLIAM ARCHILA,)
16 individually and as former designated broker officer)
of Sinai Mortgage Corporation,)
Respondents.)

17
18 The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the
19 State of California, for cause of Accusation against Respondents SINAI MORTGAGE
20 CORPORATION., a corporate real estate broker, and WILLIAM ARCHILA, individually and as
21 former designated broker-officer of Sinai Mortgage Corporation, is informed and alleges as
22 follows:

23 1.

24 The Complainant, Robin Trujillo makes this Accusation in her official capacity.

25 2.

26 Respondent SINAI MORTGAGE CORPORATION., dba Mount Sinai Realty,
27

1 and dba Sinai Escrow Division (“SINAI”), at all times relevant herein was licensed and/or had
2 license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and
3 Professions Code (hereinafter “Code”) as a corporate real estate broker. At all times relevant
4 herein, Respondent SINAI was authorized to act by and through Respondent WILLIAM
5 ARCHILA as the designated officer and broker responsible, pursuant to the provisions of Code
6 Section 10159.2 for the supervision and control of the activities conducted on behalf of SINAI
7 by SINAI’s officers and employees. SINAI has been licensed as a corporate real estate broker
8 since April 26, 2002.
9

10 3.

11 Respondent WILLIAM ARCHILA (hereinafter “ARCHILA”) is presently
12 licensed, and/or has license rights under the Code, as a real estate broker. Respondent
13 ARCHILA has been licensed by the Department as a real estate broker since on or about
14 March 19, 2002.
15

16 4.

17 Respondent SINAI is a California corporation. ARCHILA is the Chief Executive
18 Officer of the corporation. As set forth more fully below, SINAI’s corporate status of SINAI
19 was suspended effective on or about October 3, 2011. SINAI’s corporate status has remained
20 suspended and it is not currently a corporation in good standing in the State of California.
21

22 5.

23 All further references to “Respondents” include the parties listed in Paragraphs 2
24 through 4 above, as well as the officers, agents, affiliates and employees of the parties listed in
25 Paragraphs 2 through 4.
26

27 6.

At all times relevant herein, Respondents engaged in the business of, acted in the

1 capacity of, advertised or assumed to act as real estate brokers in the State of California within
2 the meaning of Code Sections 10131(a) (representing buyers and sellers of property) and
3 10131(d) (representing borrowers and lenders in negotiating loans secured by property), and
4 performing escrows in relation to those activities.

5 FIRST CAUSE OF ACCUSATION

6 Audit No. LA 100278

7 7.

8
9 On November 30, 2011, the Department completed an audit examination of
10 Respondent SINAI's books and records pertaining to the residential sales, mortgage lending, and
11 related escrow activities described in Paragraph 6 above, covering a period from January 1, 2009
12 to July 31, 2011. The primary purpose of the examination was to determine Respondent
13 SINAI's compliance with the Real Estate Law. The examination, Audit No. LA 100278,
14 revealed violations of the Code and Title 10, Chapter 6 of the California Code of Regulations
15 ("Regulations"), as set forth below, and as more specifically set forth in the Audit Report and
16 Exhibits attached thereto.
17

18 8.

19 During the examination period, Respondent SINAI, acting by and through
20 ARCHILA as its designated broker officer, performed resale, mortgage loan origination and
21 related escrow activities. SINAI reported closing two (2) listing transactions and three (3) sales
22 transactions, with a total aggregate value of \$1.3 million during the last twelve months of the
23 audit period. SINAI handled approximately \$6,000.00 in earnest money deposits relating to its
24 residential resale activities during the last twelve months of the audit period. SINAI reported
25 closing approximately five (5) loans, for a total of \$1.5 million, during the last twelve months of
26 the audit period. During the audit period, SINAI provided escrow services to its own clients,
27

1 mainly for those whose loans were packaged by SINAI. However, according to ARCHILA,
2 SINA ceased its broker-escrow activity in December of 2009.

3 9.

4 According to ARCHILA, SINAI maintained one trust account pertaining to its
5 broker-escrow activities during the audit period. The account was held at East West Bank,
6 account number XX-XXXX3024. That account was closed as of December 31, 2009. After
7 that time, SINAI did not maintain a trust account in connection with its real estate activities.
8

9 10.

10 In the course of activities described in Paragraph 9 above, and during the
11 examination period described in Paragraph 8, Respondents acted in violation of the Code and the
12 Regulations in that:

13 a) Respondent SINAI, while supervised by ARCHILA, directly forwarded
14 earnest money deposits obtained in its resale business to escrow and did not place these trust
15 funds into a trust account. However, SINAI did not maintain a record of these trust funds
16 received and forwarded to escrow, in violation of Code Section 10145 and Regulation 2831.
17

18 b) In two of the seven purchase contracts examined during the audit, the earnest
19 money deposits were held beyond three business days after the acceptance of the offers without
20 written authorization from the principals, in violation of Code Section 10145 and Regulation
21 2832.

22 c) SINAI and ARCHILA did not make the real estate salesperson license
23 certificates of Edwin Mauricio Maravilla, Guillermo Maravilla and Oraz Rafael available for
24 examination during the audit, in violation of Code Section 10160 and Regulation 2753.
25

26 d) In one sampled resale transaction, the agent licensed under SINAI who
27 represented the buyer, failed to disclose his license identification number on the purchase

1 contract for 9044 East Ave. T-4, Littlerock, CA, in violation of Code Section 10140.6(b) and
2 Regulation 2773.

3 e) An unlicensed individual, Cinthya Archila, was a signatory on the escrow trust
4 account (#xx-xxxx-3024) without fidelity bond coverage, in violation of Code Section 10145 and
5 Regulation 2834.

6 f) SINAI maintained an earnings credit relationship with East West Bank. The
7 earnings credit was calculated based on the trust fund activities in the escrow trust account.
8 Bank service charges were deducted from the earnings credit. This created undisclosed
9 compensation, in violation of Code Section 10176(g).

10 g) The escrow instructions SINAI used in its broker-escrow activities did not
11 advise all parties in writing that SINAI had an interest as an owner of the agency holding the
12 escrow and ARCHILA had an interest as stockholder and/or officer of the agency holding the
13 escrow, in violation of Code Section 10176(g) and Regulation 2950(h).

14 h) The Mortgage Loan Disclosure Statement used by SINAI during the audit
15 period did not contain SINAI's license number, in violation of Code Section 10236.4(b).

16
17
18 11.

19 The conduct, acts and/or omissions of Respondent SINAI and ARCHILA, as
20 described in Paragraph 10, above, violated the Code and Regulations in the following ways:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
21 10 (a)	22 Code Section 10145; 23 Regulation 2831.
24 10(b)	25 Code Section 10145; 26 Regulation 2832.
27 10(c)	Code Section 10160; Regulation 2753.

1 10(d)

Code Section 10140.6(b);
Regulation 2773.

2
3 10 (e)

Code Section 10145; Regulation
2834.

4
5 10(f)

Code Section 10176(g)

6 10(g)

Code Section 10176(g); Regulation
2950(h).

7
8 10(h)

Code Section 10236.4(b).

9
10 The foregoing violations constitute cause for the suspension or revocation of the
11 real estate licenses and license rights of Respondents SINAI and ARCHILA under the provisions
12 of Code Sections 10145, 10177(d) and 10177(g).

13 12.

14 The foregoing violations constitute cause for the suspension or revocation of the
15 real estate licenses and license rights of Respondent ARCHILA pursuant to Code Section
16 10177(h) for failing to adequately supervise the real estate activities of SINAI to ensure
17 compliance with the Real Estate Law.
18

19 SUSPENSION OF CORPORATE POWERS

20 13.

21 On or about August 1, 2007, pursuant to the provisions of Section 23302 of the
22 California Revenue and Taxation Code, the corporate rights and privileges of Respondent SINAI
23 were suspended by the California Secretary of State. The corporate rights and privileges of
24 Respondent SINAI have remained suspended since that time.
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14.

The suspension of the corporate powers of Respondent SINAI, as set forth in paragraph 13 above, constitutes grounds to suspend or revoke Respondent SINAI's corporate real estate broker license pursuant to Code Sections 10177(d), 10177(f) and/or 10177(g) in conjunction with Regulation 2742.

15.

The suspension of the corporate powers of Respondent SINAI by the California Secretary of State for failure to pay taxes is grounds to suspend or revoke the license and/or license rights of Respondent ARCHILA for failure to supervise the activities of the corporation, in violation of Code Sections 10159.2, 10177(h), 10177(d) and/or 10177(g).

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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against all licenses and/or license rights of Respondents SINAI MORTGAGE
4 CORPORATION and WILLIAM ARCHILA under the Real Estate Law (Part 1 of Division 4 of
5 the Business and Professions Code), for the cost of investigation and enforcement as permitted
6 by law, and for such other and further relief as may be proper under other provisions of law.

7 Dated at Los Angeles, California,

8 this 22 day of August, 2012
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11 
12 Robin Trujillo
13 Deputy Real Estate Commissioner
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22 cc: Sinai Mortgage Corporation
23 William Archila
24 Robin Trujillo
25 Sacto.
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