

*Handwritten initials/signature in blue ink.*

1 DIANE LEE, Counsel (SBN 247222)  
2 Department of Real Estate  
3 320 West 4th Street, Suite 350  
4 Los Angeles, California 90013

**FILED**

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4 Telephone: (213) 576-6982  
5 (Direct) (213) 576-6907

DEPARTMENT OF REAL ESTATE  
BY: K. Rederholt

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11	In the Matter of the Accusation of	)	No. H- 38444 LA
12	INTERNATIONAL TEAM REALTY; and	)	<u>A C C U S A T I O N</u>
13	RICK ARCINIEGA, individually	)	
14	and as designated officer of	)	
15	International Team Realty,	)	
16		)	
17	Respondents.	)	

17 The Complainant, Dionne Faulk, a Deputy Real Estate  
18 Commissioner of the State of California, acting in her official  
19 capacity, for cause of Accusation against INTERNATIONAL TEAM  
20 REALTY dba International Home Mortgage ("INTERNATIONAL TEAM")  
21 and RICK ARCINIEGA ("ARCINIEGA"), individually and as designated  
22 officer of International Team Realty, alleges as follows:

23 1.

24 The Complainant, Dionne Faulk, acting in her official  
25 capacity as Deputy Real Estate Commissioner of the State of  
26 California, makes this Accusation.

27 ///

1 2.

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

6 3.

7 A. INTERNATIONAL TEAM: At all times mentioned,  
8 Respondent INTERNATIONAL TEAM was licensed or had license rights  
9 issued by the Department of Real Estate ("Department") as a real  
10 estate broker (license number 01827976). On September 27, 2007,  
11 INTERNATIONAL TEAM was originally licensed as a corporate real  
12 estate broker. INTERNATIONAL TEAM also has a mortgage loan  
13 originator license endorsement (NMLS ID 345489) issued by the  
14 Department. INTERNATIONAL TEAM is registered with the State of  
15 California, Secretary of State as corporation number c2922279.  
16 Its Statement of Information filed on or about June 27, 2008  
17 names Respondent ARCINIEGA as the chief executive officer,  
18 secretary, chief financial officer, and director. Respondent  
19 INTERNATIONAL TEAM was and is authorized to act by and through  
20 Respondent ARCINIEGA as INTERNATIONAL TEAM's designated broker  
21 pursuant to Code Sections 10159.2 and 10211 to be responsible  
22 for ensuring compliance with Real Estate Law.

23 B. ARCINIEGA: At all times mentioned, Respondent  
24 ARCINIEGA was licensed or had license rights issued by the  
25 Department as a real estate broker (license number 01101436).  
26 On July 9, 2002, ARCINIEGA was originally licensed as a real  
27 estate broker. ARCINIEGA also has a mortgage loan originator

1 license endorsement (NMLS ID 316512) issued by the Department.  
2 As of September 27, 2007, ARCINIEGA has been and still is the  
3 designated officer of INTERNATIONAL TEAM. According to the  
4 Statement of Information filed on April 27, 2010 with the State  
5 of California, Secretary of State, ARCINIEGA is the chief  
6 executive officer, secretary, chief financial officer, and  
7 president of International Team Realty.

8 4.

9 At all times mentioned, in the City of Whittier,  
10 County of Los Angeles, INTERNATIONAL TEAM and ARCINIEGA acted as  
11 real estate brokers and conducted licensed activities including  
12 but not limited to:

13 A. Code Section 10131(a) and 10131(d): Respondents  
14 INTERNATIONAL TEAM and ARCINIEGA engaged in the business of,  
15 acted in the capacity of, advertised, or assumed to act as a  
16 residential real estate broker and mortgage loan broker.

17 B. Code Sections 10131(d) and 10131.2: Respondents  
18 INTERNATIONAL TEAM and ARCINIEGA engaged in operating a mortgage  
19 loan brokerage and an advanced fee and loan modification  
20 brokerage. For compensation or in expectation of compensation  
21 and for fees often collected in advance.

22 C. California Financial Code Section 17006(a)(4):  
23 Respondents INTERNATIONAL TEAM and ARCINIEGA conducted broker-  
24 controlled escrows through its escrow division under the  
25 exemption set forth in California Financial Code Section  
26 17006(a)(4) for real estate brokers performing escrows  
27 incidental to a real estate transaction where the broker is a

1 party and where the broker is performing acts for which a real  
2 estate license is required.

3  
4 FIRST CAUSE OF ACCUSATION

5 (Audit Examination of International Team Realty)

6 5.

7 On May 25, 2010, the Department completed an audit  
8 examination of the books and records of INTERNATIONAL TEAM  
9 limited to determine whether INTERNATIONAL TEAM handled and  
10 accounted for trust funds and conducted its real estate  
11 activities in accordance with the Real Estate Law and  
12 Regulations. The audit examination covered a period of time  
13 beginning on January 1, 2008 and ended on March 31, 2010. The  
14 audit examination revealed violations of the Code and the  
15 Regulations set forth in the following paragraphs, and more  
16 fully discussed in Audit Reports LA 090182, LA 090206, and LA  
17 090207 and the exhibits and work papers attached to said audit  
18 report.

19  
20 Trust Account

21 6.

22 At all times mentioned, in connection with the  
23 activities described in Paragraph 4, above, INTERNATIONAL TEAM  
24 accepted or received funds including funds in trust ("trust  
25 funds") from or on behalf of actual or prospective parties  
26 involved in mortgage loan transactions including borrowers and  
27 lenders handled by INTERNATIONAL TEAM and thereafter made

1 deposits and or disbursements of such funds. From time to time  
2 herein mentioned, during the audit period, said trust funds were  
3 deposited and/or maintained by INTERNATIONAL TEAM in the bank  
4 account as follows:

5 "Comerica Bank.  
6 \*\*\*\*\*7193"  
7 2321 Rosecrans Avenue, Suite 5000  
8 El Segundo, CA 90245 (T/A #1)  
9 (Escrow Trust Account)

9 Audit Violations - International Team Realty

10 7.

11 In the course of activities described in Paragraphs 4  
12 and 6, above, and during the examination period in Paragraph 5,  
13 Respondents INTERNATIONAL TEAM and ARCINIEGA, acted in violation  
14 of the Code and the Regulations as set forth below:

15 (a) Permitted, allowed, or caused the disbursement of  
16 trust funds from the escrow trust account T/A #1 where the  
17 disbursement of funds reduced the total of aggregate funds in  
18 escrow trust account, to an amount which, on March 31, 2010, was  
19 \$3,588.56, less than the existing aggregate trust fund liability  
20 to every principal who was an owner of said funds, without first  
21 obtaining the prior written consent of the owners of said funds,  
22 in violation of Code Section 10145 and Regulations 2832.1. This  
23 shortage was cured on April 23, 2010.

24 (b) Failed to provide and/or maintain a statement in  
25 writing, to wit, a Good Faith Estimate, which precedes the  
26 Mortgage Loan Disclosure Statement provided to borrowers,  
27 containing all the information required by Code Section 10241(c)

1 to borrowers, Cecilia S., Leobardo B., Julie Ann R., Isac O.,  
2 Rebeca N., and Maria C., before the borrowers became obligated  
3 to perform under the terms of their respective loans, in  
4 violation of Code Section 10240(c), including failing to state  
5 in a clear and conspicuous manner on the Good Faith Estimates  
6 that it: (i) does not constitute a loan commitment and (ii) did  
7 not disclose ARCINIEGA's license number.

8 (c) Misrepresented that INTERNATIONAL TEAM HELD  
9 earnest money deposits from Zenia Q., David C., Juan C.,  
10 Francisco R., Marco F., and Angel G., in violation of Code  
11 Section 10176(a).

12 (d) Failed to notify the Department of the employment  
13 of the following five (5) salespersons: Edward Arciniega,  
14 Raymond Arguijo, Ahae Kim, Manuel Meneses, and Mario Restrepo,  
15 in violation of Code Section 10161.8 and Regulation 2752.

16 (e) Failed to obtain a license for INTERNATIONAL  
17 TEAM's branch office located at 8990 Limonite Avenue, Riverside,  
18 CA 92509 for its escrow activity, in violation of Code Section  
19 10162 and Regulation 2715. This violation was corrected on  
20 April 20, 2010.

21 (f) INTERNATIONAL TEAM engaged in real estate  
22 business when its corporate license with the Office of the  
23 Secretary of State, State of California was suspended on  
24 September 1, 2009 and remains suspended to date, in violation of  
25 Regulation 2742(c).

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1 8.

2 The conduct of Respondents INTERNATIONAL TEAM and  
3 ARCINIEGA, described in Paragraph 7, above, violated the Code  
4 and the Regulations as set forth below:

5 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
6 7(a)	Code Section 10145 and Regulations 7 2832.1
8 7(b)	Code Section 10240(c) and Regulation 9 2840
10 7(c)	Code Section 10176(a)
11 7(d)	Code Section 10161.8 and Regulation 12 2752
13 7(e)	Code Section 10162 and Regulation 2715
14 7(f)	Regulation 2742(c)

15 The foregoing violations constitute cause for discipline of the  
16 real estate license and license rights of INTERNATIONAL TEAM  
17 under the provisions of Code Sections 10176(a), 10177(d), and/or  
18 10177(g).

19  
20 SECOND CAUSE OF ACCUSATION

21 (Audit Examination of Rick Arciniega)

22 9.

23 On June 1, 2010, the Department completed an audit  
24 examination of the books and records of ARCINIEGA pertaining to  
25 the mortgage loan brokerage activities described in Paragraph 4,  
26 above.

27 ///

1 Trust Account

2 10.

3 At all times mentioned, in connection with the  
4 activities described in Paragraph 4, above, ARCINIEGA did not  
5 maintain a trust account during the audit period.

6 Audit Violations - Rick Arciniega

7 11.

8 In the course of activities described in Paragraph 4,  
9 above, and during the audit examination period described in  
10 Paragraph 9, above, Respondent ARCINIEGA, acted in violation of  
11 the Code and the Regulations as set forth below:

12 (a) Failed to provide and/or maintain a statement in  
13 writing, to wit, a Good Faith Estimate, which precedes the  
14 Mortgage Loan Disclosure Statement provided to borrowers,  
15 containing all the information required by Code Section 10241(c)  
16 to borrowers, Victor Z., Mario H., Gary G., Rosy B., and Donald  
17 O., before the borrowers became obligated to perform under the  
18 terms of their respective loans, in violation of Code Section  
19 10240(c), including failing to state in a clear and conspicuous  
20 manner on the Good Faith Estimates that it: (i) does not  
21 constitute a loan commitment; (ii) did not disclose ARCINIEGA's  
22 license number, and (iii) did not disclose yield spread premium  
23 rebates.

24 (b) Used the fictitious name "International Home  
25 Mortgage" to conduct licensed activities, without holding a  
26 license bearing the fictitious business names, in violation of  
27 Code Section 10159.5 and Regulation 2731.



12.

The conduct of Respondent ARCINIEGA, described in Paragraph 11, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
11(a)	Code Section 10240(c) and Regulation 2840
11(b)	Code Section 10159.5 and Regulation 2731

The foregoing violations constitute cause for discipline of the real estate license and license rights of ARCINIEGA under the provisions of Code Sections 10177(d) and/or 10177(g).

THIRD CAUSE OF ACCUSATION

(Negligence)

13.

The overall conduct of Respondents INTERNATIONAL TEAM and ARCINIEGA constitutes negligence and is cause for discipline of the real estate license and license rights of said Respondents pursuant to the provisions of Code Section 10177(g).

FOURTH CAUSE OF ACCUSATION

(Fiduciary Duty)

14.

The conduct, acts, and omissions of Respondents INTERNATIONAL TEAM and ARCINIEGA constitute a breach of fiduciary duty owed to INTERNATIONAL TEAM's clients of good

1 faith, trust, confidence, and candor within the scope of their  
2 contractual relationship in violation of Code Sections 10176(i)  
3 and/or 10177(g), and constitutes cause for discipline of the  
4 real estate license and license rights of said Respondents  
5 pursuant to the provisions of Code Sections 10177(g).

6  
7 FIFTH CAUSE OF ACCUSATION

8 (Supervision and Compliance)

9 15.

10 The overall conduct of Respondent ARCINIEGA  
11 constitutes a failure on said Respondent's part, as officer  
12 designated by a corporate broker licensee, to exercise the  
13 reasonable supervision and control over the licensed activities  
14 of INTERNATIONAL TEAM as required by Code Section 10159.2 and  
15 10211, and to keep INTERNATIONAL TEAM in compliance with the  
16 Real Estate Law, requiring a real estate license, and is cause  
17 for discipline of the real estate license and real estate  
18 license rights of Respondent ARCINIEGA pursuant to the Code  
19 Sections 10177(d), 10177(g), and 10177(h).

20  
21 SIXTH CAUSE OF ACCUSATION

22 (Failure to Reveal Suspension)

23 16.

24 On or about October 11, 2011, Respondents  
25 INTERNATIONAL TEAM and ARCINIEGA made an Officer Renewal  
26 Application to the Department for the issuance to Respondent  
27 INTERNATIONAL TEAM of a corporate real estate broker license and

1 for the issuance to Respondent ARCINIEGA of a real estate broker  
2 license as an officer of INTERNATIONAL TEAM to qualify  
3 Respondent INTERNATIONAL TEAM as its designated officer/broke,  
4 and to act for said corporation as a real estate broker.

5 17.

6 In response to Question 17 of said application, to  
7 wit: "Is the corporation currently in good standing with the  
8 Office of the Secretary of State?," Respondents answered, "Yes,"  
9 and failed to reveal that INTERNATIONAL TEAM's corporate license  
10 with the Office of the Secretary of State, State of California  
11 was suspended on September 1, 2009 and continues to be  
12 suspended, as described in Paragraph 7(f), above.

13 18.

14 Respondent's failure to reveal the suspended status of  
15 the INTERNATIONAL TEAM's corporate license, as described in  
16 Paragraph 17, above, on its Officer Renewal Application  
17 constitutes the procurement or attempted procurement of a real  
18 estate license by fraud, misrepresentation, and/or deceit,  
19 and/or by making a material misstatement of fact, which is  
20 grounds for the suspension or revocation of the license and  
21 license rights of Respondent under Code Sections 10177(a),  
22 10177(d), 10177(f), and 10177(g).

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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 INTERNATIONAL  
5 TEAM REALTY and RICK ARCINIEGA, individually and as designated  
6 officer of International Team Realty, under the Real Estate Law  
7 (Part 1 of Division 4 of the California Business and Professions  
8 Code), for the cost of investigation and enforcement pursuant to  
9 California Business and Professions Code Section 10106 and as  
10 permitted by law, and for such other and further relief as may  
11 be proper under other applicable provisions of law, including  
12 costs of audit pursuant to Code Section 10148.

13           Dated at Los Angeles, California: Sept. 26, 2012.

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Dionne Faulk  
Deputy Real Estate Commissioner

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25 cc: International Team Realty  
26       c/o Rick Arciniega  
27       Dionne Faulk  
       Sacto  
       Enforcement  
       Audits - Zaky Wanis