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501	Elliott Mac Lennan, Counsel (SBN 66674)	
2	Bureau of Real Estate	
4	320 West 4th Street, Suite 350	OCT - 1 2013
3	Los Angeles, California 90013-1105	
		DEPARTMENT OF REAL ESTATE
4	Telephone: (213) 576-6982	BY:
_	Direct (213) 576-6911	
5	Facsimile (213) 576-6917	
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9	BEFORE THE BUREAU	OF REAL ESTATE
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10	STATE OF CA	LIFORNIA
4.4	* * *	
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12	In the Matter of the Accusation of	)
		)
13	WEST COAST REALTY INC.; and	) No. H- 39066 LA
1.4		
14	STEVE CRAIG UYEMURA, as designated	) <u>ACCUSATION</u>
15	officer of West Coast Realty Inc., and	
	California A and Baalty Inc.	)
16	California Aces Realty Inc. Chunyk & Adduci Realty	
4 0	Chunyk & Adduci Realty Group	)
17	LA, Inc.	
18	Cityfied Realty Inc.	)
	EMD Real Estate Inc.	)
19	First Step Solutions Group	
	Guerra & Associates Inc.	)
20	Lacova Properties Inc.	)
21	Lumi Worldwide Inc.	)
	Marvel R.E. Group	
22	Moosehead Properties Group	)
	Affiliated Licensed Corporation,	)
23	Monica Stone Properties, Inc.	)
24	NegotiateLease.com, Inc.	)
	New Dimension Realty Inc.	
25	Panda Group Realty Inc.	)
	Paramount Brothers Inc.	)
26	Quest Realty & Property	
	Management Services Inc.	)

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1	Rent Direct, Inc.
2	RJM Realty Group Inc.
2	Sugar Maple Holdings Inc. )
3	Affiliated Licensed Corporation )
	Taylor & Associates Realty Inc. )
4	The Virtual Realty Group )
5	and individually doing business as
6	1 Stop Realty Group; )
7	California's Choice Real Estate; )
	EReal Estate Group; )
8	ERealty Group; )
	HomeStar Real Estate & Investments; )
9	Inheritance Real Estate Group; )
10	Kreyston Real Estate;)Local Realty Direct;)
	Luxury Home Realty;
11	Oak Community Real Estate;
12	Open House Real Estate Services; )
14	Ryan Cole Real Estate;
13	Ryan Cole Realty;
	Sutter Home Realty Company; and )
14	The Virtual Realty Group, )
15	
	Respondents.
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18	The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State
19	of California, Bureau of Real Estate ("Bureau") for cause of Accusation against WEST COAST
20	REALTY INC. ("WCRI") and STEVE CRAIG UYEMURA ("UYEMURA"), individually and
21	as designated officer of West Coast Realty Inc. (collectively "Respondents"), is informed and
22	alleges as follows:
23	· 1.
24	The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State
25	of California, makes this Accusation in her official capacity.
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#### **License Entities**

2.

From April 19, 2011 through the present, WCRI has been licensed as a real estate corporation. At all times relevant herein, WCRI was acting by and through UYEMURA as its designated broker-officer pursuant to Business and Professions Code ("Code") Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law. WCRI became Non Broker Affiliated upon UYEMURA's cancelation of his tenure as designated officer of WCRI.

3.

Respondent UYEMURA was originally licensed as a real estate broker on July 18, 2005 and cancelled his tenure as designated officer of WCRI on November 5, 2012.

Table: Designated Officer Tenure

Designated Officer(s)	Tenure
Steve Craig Uyemura	April 19, 2011 until November 5, 2012

#### Table: WCRI Ownership

Owner	Ownership Interest	Title	License
Steve Craig Uyemura	50%	VP/Secretary	Broker
Marcus Williams	50%	President	Revoked Salesperson

4.

Whenever reference is made in an allegation in this Accusation to an act or omission of "Respondents," such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with Respondents committed such act or omission while engaged in the furtherance of the business or operations of Respondents and while acting within the course and scope of their corporate authority and employment, including Marcus Williams, President WCRI.

## FIRST CAUSE OF ACCUSATION (Property Management Audit)

5.

At all times mentioned, in the City of Ontario, County of Los Angeles for Respondent WCRI and in the City and County of San Diego for UYEMURA, engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate brokers, within the meaning of:

A. Code Section 10131(a). Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker, including the solicitation for listings of and the negotiation of the sale of real property as the agent of others;

B. Code Section 10131(b). Respondents engaged in the business of a property management brokerage with the public wherein, for or in expectation of compensation, for another or others, Respondent leased or rented or offered to lease or rent, or placed for rent, or solicited listings of places for rent, or solicited for prospective tenants, or collected rents from real property, or improvements thereon; and

C. In addition, Respondent Uyemura, in his individual capacity, conducted brokercontrolled escrows through his in-house escrow division under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction where the broker is a party and where the broker is performing acts for which a real estate license is required.

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<u>Audit:</u>

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6.

On December 13, 2012, the Bureau completed an audit examination of the books and records of Respondent WCRI pertaining to the property management activities described in Paragraph 5B, which require a real estate license. The audit examination covered a period of time beginning on January 19, 2011 and ending on September 28, 2012. The audit examination revealed violations of the Code and Title 10, Chapter 6, California Code of Regulations ("Regulations") as alleged in the following paragraphs, and more fully set forth in Audit Report LA 120080 and the exhibits and work papers attached thereto. Bank Account 7. During the audit period, WCRI did not maintain a trust account in connection with its real estate sales or property management activities. However, at all times mentioned, in connection with the activities described in Paragraph 6, above, WCRI accepted or received funds including funds in trust ("trust funds") from or on behalf of property owners and tenants handled by WCRI and thereafter made deposits and or disbursements of such funds. From time to time herein mentioned, during the audit period and thereafter, said trust funds were deposited and/or maintained by WCRI into the account described below. ("BA 1") "West Coast Realty Inc. \*\*\*\*4180" JP Morgan Chase Bank Chino, CA 91710 General business account. Also used for collected of tenant rents and security deposits. ///

8.

In the course of activities described in Paragraphs 5B and 7, above, and during the examination period described in Paragraph 6, Respondents WCRI and UYEMURA acted in violation of the Code and the Regulations in which Respondents:

(a) 191 Honeysuckle Circle, San Jacinto, California.

Seeking a rental, prospective tenant Atencio (Atencio) found WCRI's website advertising that WCRI had "expertise in finding a rental for anyone." On December 26, 2011, WCRI's former employee, president and revoked salesperson Marcus Williams (Williams) presented to Atencio the property located at 191 Honeysuckle Circle, in San Jacinto (San Jacinto) as a rental.

It was agreed between WCRI and Atencio that Atencio would pay San Jancinto's owner the first and last month rent of \$2,800 and security deposit of \$500 totaling \$3,300.

Williams collected \$3,300 from Atencio. Williams assured the Atencio that he would tender said sum to the owner yet Williams did not tender the \$3,300 to San Jancinto's owner. Instead, Williams deposited the \$3,300 into WCRI's general business account, BA 1.

On February 9, 2012, Williams returned \$1,500 of the rent and security deposit to Atencio. Also on February 9, 2012, William's promised to pay Atencio thirty (30) days later the \$1,800 remainder and signed a promissory note for that purpose. As of September 28, 2012, the cut off date of this audit, the remaining balance of \$1,800 has not been returned to either Atencio or paid over to San Jancinto's owner Kali C.

Atencio had tendered two (2) money orders totaling \$1,400 for rents and security deposits totaling \$1,900 collected from tenant Atencio were deposited into WCRI's BA1. The

\$3,300 collected was commingled with WCRI's funds in its general account. The trust funds collected and deposited are set forth below:

Date	Money		Deposited into
Received	<u>Order</u>	<u>Amount</u>	<u>BA 1</u>
12/26/11	R203719418881	\$1,000	12/27/11
12/26/11	R203719418892	\$ 400	12/27/11
12/30/11	unknown	\$1,900	12/30/11
Total	<u>\$3,300</u>		

The trust fund balance in BA1 was reduced to an amount that was less than the amount of trust funds deposited from December 27, 2011 to September 28, 2012, in violation of Code Sections 10145, 10148, 10176(e), 10176(i) and/or 10177(j) and Regulations 2831, 2831.1, 2831.2, 2832, and 2832(a), as more fully set forth in paragraphs 7(b) through 7 (f);

(b) Failed to maintain an accurate and adequate control record in the form of a columnar record in chronological order of trust funds received but not deposited into BA 1, received in chronological order, in violation of Code Section 10145 and Regulation 2831;

(c) Failed to maintain a separate record for each beneficiary or transaction, thereby failing to account for all trust funds received, deposited and disbursed by BA 1, in violation of Code Section 10145 and Regulation 2831.1;

(d) Failed to place trust funds, including rents and security deposits, into a trust fund account in the name of the broker as trustee at a bank or other financial, in violation of Code Section 10145 and Regulation 2832(a);

(e) Mixed and commingled trust funds and personal funds by depositing tenant rental receipts into WCRI's general operating account, BA 1, and issuing checks there from said account, in violation of Code Sections 10145, 10176(e) and Regulation 2832;

(f) Converted trust funds by depositing trust funds in the form of tenant rental receipts into WCRI's general operating account, BA 1, in violation of Code Sections 10145 and 10176(i). WCRI then reduced the amount in WCRI's general account to an amount less than the amount of the trust funds deposited, constituting conversion;

(g) 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, deposited and disbursed by BA 1 in violation of Code Section 10145 and Regulations 2831.2;

(h)(1) Failed to disclose WCRI's salesperson Marcus William's real estate license identification number on the Residential Lease or Month to Month Rental Agreement, contracts which were intended to be the first point of contact with consumers, in violation of Code Section 10140.6(b); and

(h)(2) WCRI failed to disclose WCRI's real estate license identification number which was intended to be the first point of contact with consumers, in violation of Code Section 10140.6(b);

(i) Failed to retain all records of WCRI's activity during the audit period requiring a real estate broker license, including but not limited to Atencio's transaction files, in violation of Code Section 10148; and

(j) UYEMURA failed to adequately supervise and control the real estate and property management activity conducted under WCRI's real estate broker license. Respondent UYEMURA had no effective system in place for regularly monitoring WCRI's compliance with the Real Estate Law especially in regard to effectuating the establishment of systems, policies and procedures to review trust fund handling, and to keep WCRI in compliance with the Real Estate Law, in violation of Code Sections 10159.2, 10177(h) and Regulation 2725.

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2	Disciplinary Law and	d Regulations
		9.
3 4	The conduct	of Respondents WCRI and UYEMURA, described in Paragraph 8,
5	above, violated the Code an	d the Regulations as set forth below:
6	PARAGRAPH	PROVISIONS VIOLATED
7	8(a)	Code Sections 10145, 10148, 10176(e), 10176(i) and/or 10177(j)
8		and Regulations 2831, 2831.1, 2831.2, 2832, and 2832(a)
9	8(b)	Code Section 10145 and Regulation 2831
10		Code Section 10145 and Regulation 2831.1
11	8(d)	Code Section 10145 and Regulation 2832(a) Code Sections 10145 and 10176(e) and Regulation 2832
	8(e) 8(f)	Code Sections 10145 and 10176(i) and/or 10177(j)
12	8(g)	Code Section 10145 and Regulation 2831.2
13	8(h)	Code Section 10140.6(b)
14	8(i)	Code Section 10148
15	8(j)	Code Sections 10159.2 and 10177(h) and Regulation 2725
16		·
17	The foregoing violations co	nstitute cause for the discipline of the real estate licenses and license
18	rights of Respondents WCR	I and UYEMURA under the provisions of Code Sections 10176(e),
19	10176(i) and/or 10177(j), 10	0177(d), 10177(g) and 10177(h)(UYEMURA).
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# SECOND CAUSE OF ACCUSATION (Residential Resales and Broker Escrow Audit)

# <u>Audit</u>

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10.

On December 26, 2012, the Bureau completed an audit examination of the books and records of Respondent WCRI pertaining to the <u>residential resales and broker escrow</u> <u>activities</u> described in Paragraph 5A/5C, which require a real estate license. The audit examination covered a period of time beginning on January 1, 2010 and ending September 30, 2012. The audit examination revealed violations of the Regulations as alleged in the following paragraphs, and more fully set forth in Audit Report LA 120096 and the exhibits and work papers attached thereto.

Trust Account

11.

At all times mentioned, in connection with the activities described in Paragraph 10, above, WCRI accepted or received funds including funds in trust ("trust funds") from or on behalf of property owners and tenants handled by WCRI and thereafter made deposits and or disbursements of such funds. From time to time herein mentioned, during the audit period and thereafter, said trust funds were deposited and/or maintained by WCRI into the trust account described below.

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("TA 1")

"Steve Uyemura dba Open House Finance & Realty/Open House Real Estate Services Escrow Division Trust Account Services

\*\*\*\*3723"

Beach Business Bank

Costa Mesa, CA 92626

TA 1, used for escrow receipts and disbursements was closed March 24, 2011.

# Violations of the Real Estate Law

12.

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4	In the course of activities described in Paragraphs 5A/5C and 11 above, and	
5	during the examination period, described in Paragraph 10, Respondent UYEMURA acted in	
6	violation of the Code and the Regulations in which Respondent:	
7	(a) Failed to maintain an accurate and adequate control record in the form of a	
8	columnar record in chronological order of trust funds received but not deposited into TA 1,	
9	received in chronological order, in violation of Code Section 10145 and Regulation 2831;	
10	(b) Failed to maintain a separate record for each beneficiary or transaction,	
11	thereby failing to account for all trust funds received, deposited and disbursed by TA 1, in	
12	violation of Code Section 10145 and Regulation 2831;	
13	(c) WCRI failed to disclose its real estate license identification number on the	
14 15	residential purchase agreements and/or residential listing agreement which was intended to be the	
16	first point of contact with consumers, in violation of Code Section 10140.6(b)(1) and Regulation	
17	2773;	
18	(d) Used the fictitious name of "1-STOP Realty Group," to conduct licensed	
19	activities including a real estate sales, without first obtaining from the Bureau a license bearing	
20	said fictitious business name, in violation of Code Section 10159.5 and Regulation 2731; and,	
21 22	(e) Failed to notify the Bureau of the employment of real estate salesperson Johnny	7
23	Maldonado, in violation of Code Section 10161.8 and Regulation 2752.	
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1	Disciplinary Law and Regulations	
2	13.	
3	The conduct of Respondent UYEMURA, described in Paragraph 12, above,	
4		
5	violated the Code and the Regulations as set forth below:	
6	PARAGRAPH PROVISIONS VIOLATED	
7	12(a) Code Section 10145 and Regulation 2831	
8	12(b) Code Section 10145 and Regulation 2831.1	
9	12(c) Code Section 10140.6(b)	
	12(d) Code Section 10159.5 and Regulation 2731	
10	12(e) Code Section 10161.8 and Regulation 2752	
11	The foregoing violations constitute cause for the discipline of the real estate licenses and license	
12	rights of Respondent UYEMURA under the provisions of Code Sections 10145, 10177(d), and	
13	10177(g).	
14	THIRD CAUSE OF ACCUSATION (Negligence)	
15	14.	
16	The overall conduct of Respondents WCRI and UYEMURA constitutes	
17		
18	negligence and is cause for discipline of the real estate license and license rights of said	
19	Respondents pursuant to the provisions of Code Section 10177(g).	
20	FOURTH CAUSE OF ACCUSATION (Fiduciary Duty)	
21	15.	
22	The conduct, acts and omissions of Respondents WCRI and UYEMURA	
23	constitute a breach of fiduciary duty, owed to WCRI's clientele of good faith, trust, confidence	
24	and candor, within the scope of their relationship, in violation of Code Section 10177(g) and	
25	constitutes cause for discipline of the real estate license and license rights of said Respondents	
26	pursuant to the provisions of Code Section 10177(g).	
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## FIFTH CAUSE OF ACCUSATION (Supervision and Compliance)

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16.

The overall conduct of Respondent UYEMURA constitutes a failure on his part to exercise reasonable supervision and control over the licensed activities of WCRI as well as his individual brokerage and licensed activities, in violation of Code Sections 10159.2 and 10177(h) and Regulation 2725.

17.

Code Section 10106 provides, in part, that in any order issued in resolution of a 10 disciplinary proceeding before the Bureau of Real Estate, the Commissioner may request the 11 administrative law judge to direct a licensee found to have committed a violation of this part to 12 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case. 13 14 18. 15 Code Section 10148(b) provides, in pertinent part the Commissioner shall charge a 16 real estate broker for the cost of any audit, if the commissioner has found in a final decision 17 following a disciplinary hearing that the broker has violated Code section 10145 or a regulation 18 or rule of the commissioner interpreting said section. 19 /// 20 /// 21 22 /// 23 /// 24/// 25 /// 26 /// 13

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and/or license rights of Respondents WEST COAST REALTY INC. and STEVE CRAIG UYEMURA, individually and as designated officer of West Coast Realty Inc., under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law, including but not limited to, proof of restitution, and costs investigation, enforcement and audit.

Dated at Los Angeles, California.

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Tember, 2013. this / dav of

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Deputý Real Estate Commissioner

cc: West Coast Realty Inc. c/o Steve Craig Uyemura Maria Suarez Chona T. Soriano Sacto