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DEPARTMENT OF REAL ESTATE
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8
9 BEFORE THE BUREAU OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)
13 WEST COAST REALTY INC.; and) No. H- 39066 LA
14 STEVE CRAIG UYEMURA, as designated) ACCUSATION
15 officer of West Coast Realty Inc., and)
16 California Aces Realty Inc.)
17 Chunyk & Adduci Realty)
18 Chunyk & Adduci Realty Group)
19 LA, Inc.)
20 Cityfied Realty Inc.)
21 EMD Real Estate Inc.)
22 First Step Solutions Group)
23 Guerra & Associates Inc.)
24 Lacova Properties Inc.)
25 Lumi Worldwide Inc.)
26 Marvel R.E. Group)
Moosehead Properties Group)
Affiliated Licensed Corporation,)
Monica Stone Properties, Inc.)
NegotiateLease.com, Inc.)
New Dimension Realty Inc.)
Panda Group Realty Inc.)
Paramount Brothers Inc.)
Quest Realty & Property)
Management Services Inc.)

1 Rent Direct, Inc.)
 2 RJM Realty Group Inc.)
 3 Sugar Maple Holdings Inc.)
 4 Affiliated Licensed Corporation)
 5 Taylor & Associates Realty Inc.)
 6 The Virtual Realty Group)
 7)
 8 and individually doing business as)
 9)
 10 1 Stop Realty Group;)
 11 California's Choice Real Estate;)
 12 EReal Estate Group;)
 13 ERealty Group;)
 14 HomeStar Real Estate & Investments;)
 15 Inheritance Real Estate Group;)
 16 Kreyston Real Estate;)
 17 Local Realty Direct;)
 18 Luxury Home Realty;)
 19 Oak Community Real Estate;)
 20 Open House Real Estate Services;)
 21 Ryan Cole Real Estate;)
 22 Ryan Cole Realty;)
 23 Sutter Home Realty Company; and)
 24 The Virtual Realty Group,)
 25)
 26 Respondents.)

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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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 broker-controlled 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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1 \$3,300 collected was commingled with WCRI's funds in its general account. The trust funds
2 collected and deposited are set forth below:

<u>Date</u> <u>Received</u>	<u>Money</u> <u>Order</u>	<u>Amount</u>	<u>Deposited into</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>		

7
8 The trust fund balance in BA1 was reduced to an amount that was less than the
9 amount of trust funds deposited from December 27, 2011 to September 28, 2012, in violation of
10 Code Sections 10145, 10148, 10176(e), 10176(i) and/or 10177(j) and Regulations 2831, 2831.1,
11 2831.2, 2832, and 2832(a), as more fully set forth in paragraphs 7(b) through 7 (f);

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

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

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

21 (e) Mixed and commingled trust funds and personal funds by depositing tenant
22 rental receipts into WCRI's general operating account, BA 1, and issuing checks there from said
23 account, in violation of Code Sections 10145, 10176(e) and Regulation 2832;
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1 (f) Converted trust funds by depositing trust funds in the form of tenant rental
2 receipts into WCRI's general operating account, BA 1, in violation of Code Sections 10145 and
3 10176(i). WCRI then reduced the amount in WCRI's general account to an amount less than the
4 amount of the trust funds deposited, constituting conversion;

5
6 (g) Failed to perform a monthly reconciliation of the balance of all separate
7 beneficiary or transaction records maintained pursuant to Regulation 2831.1 with the record of
8 all trust funds received, deposited and disbursed by BA 1 in violation of Code Section 10145
9 and Regulations 2831.2;

10 (h)(1) Failed to disclose WCRI's salesperson Marcus William's real estate
11 license identification number on the Residential Lease or Month to Month Rental Agreement,
12 contracts which were intended to be the first point of contact with consumers, in violation of
13 Code Section 10140.6(b); and
14

15 (h)(2) WCRI failed to disclose WCRI's real estate license identification number
16 which was intended to be the first point of contact with consumers, in violation of Code Section
17 10140.6(b);

18 (i) Failed to retain all records of WCRI's activity during the audit period requiring
19 a real estate broker license, including but not limited to Atencio's transaction files, in violation of
20 Code Section 10148; and
21

22 (j) UYEMURA failed to adequately supervise and control the real estate and
23 property management activity conducted under WCRI's real estate broker license. Respondent
24 UYEMURA had no effective system in place for regularly monitoring WCRI's compliance with
25 the Real Estate Law especially in regard to effectuating the establishment of systems, policies
26 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.

1 Disciplinary Law and Regulations

2 9.

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4 The conduct of Respondents WCRI and UYEMURA, described in Paragraph 8,
5 above, violated the Code and the Regulations as set forth below:

6 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
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 8(c)	Code Section 10145 and Regulation 2831.1
11 8(d)	Code Section 10145 and Regulation 2832(a)
12 8(e)	Code Sections 10145 and 10176(e) and Regulation 2832
13 8(f)	Code Sections 10145 and 10176(i) and/or 10177(j)
14 8(g)	Code Section 10145 and Regulation 2831.2
15 8(h)	Code Section 10140.6(b)
16 8(i)	Code Section 10148
17 8(j)	Code Sections 10159.2 and 10177(h) and Regulation 2725

18 The foregoing violations constitute cause for the discipline of the real estate licenses and license
19 rights of Respondents WCRI and UYEMURA under the provisions of Code Sections 10176(e),
20 10176(i) and/or 10177(j), 10177(d), 10177(g) and 10177(h)(UYEMURA).

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1 Disciplinary Law and Regulations

2 13.

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4 The conduct of Respondent UYEMURA, described in Paragraph 12, above,
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)

10 12(d) Code Section 10159.5 and Regulation 2731

11 12(e) Code Section 10161.8 and Regulation 2752

12 The foregoing violations constitute cause for the discipline of the real estate licenses and license
13 rights of Respondent UYEMURA under the provisions of Code Sections 10145, 10177(d), and
14 10177(g).

15 THIRD CAUSE OF ACCUSATION

(Negligence)

16 14.

17 The overall conduct of Respondents WCRI and UYEMURA constitutes
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).

FIFTH CAUSE OF ACCUSATION
(Supervision and Compliance)

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 disciplinary proceeding before the Bureau of Real Estate, the Commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

18.

Code Section 10148(b) provides, in pertinent part the Commissioner shall charge a real estate broker for the cost of any audit, if the commissioner has found in a final decision following a disciplinary hearing that the broker has violated Code section 10145 or a regulation or rule of the commissioner interpreting said section.

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

10 Dated at Los Angeles, California.

11 this 12th day of September, 2013.

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15 MARIA SUAREZ
16 Deputy Real Estate Commissioner
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23 cc: West Coast Realty Inc.
24 c/o Steve Craig Uyemura
25 Maria Suarez
26 Chona T. Soriano
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