

FILED

FEB 10 2014

BUREAU OF REAL ESTATE

By *J. [Signature]*

BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)
)
 WEST COAST REALTY INC.; and)
)
 STEVE CRAIG UYEMURA, as designated)
 officer of West Coast Realty Inc., and)
)
)
 California Aces Realty Inc.)
 Chunyk & Adduci Realty)
 Chunyk & Adduci Realty Group)
 LA, Inc.)
 Cityfied Realty Inc.)
 EMD Real Estate Inc.)
 First Step Solutions Group)
 Guerra & Associates Inc.)
 Lacova Properties Inc.)
 Lumi Worldwide Inc.)
 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.)
 Rent Direct, Inc.)
 RJM Realty Group Inc.)
 Sugar Maple Holdings Inc.)
 Affiliated Licensed Corporation)
 Taylor & Associates Realty Inc.)
 The Virtual Realty Group)

No. H-39066 LA

and individually doing business as

- 1 Stop Realty Group;
- California's Choice Real Estate;
- EReal Estate Group;
- ERealty Group;
- HomeStar Real Estate & Investments;
- Inheritance Real Estate Group;
- Kreyston Real Estate;
- Local Realty Direct;
- Luxury Home Realty;
- Oak Community Real Estate;
- Open House Real Estate Services;
- Ryan Cole Real Estate;
- Ryan Cole Realty;
- Sutter Home Realty Company; and
- The Virtual Realty Group,

Respondents.

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on January 24, 2014, and the findings of fact set forth herein are based on one or more of the following: (1) Respondents WEST COAST REALTY INC. and STEVE CRAIG UYEMURA, individually and as designated officer of West Coast Realty Inc. express admissions, (2) affidavits, (3) Investigative Case Analysis, (4) Bureau of Real Estate Audit Report LA 120080, (5) Bureau of Real Estate Audit Report LA 120096 (5) LA 120096, and (6) other evidence.

FACTUAL FINDINGS

1.

On September 12, 2013, 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, to Respondents' last known mailing addresses on file with the Bureau on October 1, 2013 by certified mail, and on November 7, 2013 by regular mail.

2.

On January 24, 2014, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents WEST COAST REALTY INC. and STEVE CRAIG UYEMURA default was entered herein. All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

License Entities

3.

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.

4.

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

5.

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 and co-owner of WCRI.

FIRST CAUSE OF ACCUSATION
(Property Management Audit)

6.

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.

Audit:

7.

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 Finding 6B, 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, 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

8.

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 Finding 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.

Violations of the Real Estate Law

8.

In the course of activities described in Findings 6B and 8, above, and during the examination period described in Finding 7, 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
<u>Received</u>	<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 \$3,300

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.

(Residential Resales and Broker Escrow Audit)

9.

On December 26, 2012, the Bureau completed an audit examination of the books and records of Respondent UYEMURA pertaining to the residential resales and broker escrow activities described in Finding 6A/6C, 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

10.

At all times mentioned, in connection with the activities described in Finding 9, 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.

("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

11.

In the course of activities described in Findings 6A/6C and 10 above, and during the examination period, described in Finding 9, Respondent UYEMURA acted in violation of the Code and the Regulations in which Respondent:

(a) 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 TA 1, received in chronological order, in violation of Code Section 10145 and Regulation 2831;

(b) Failed to maintain a separate record for each beneficiary or transaction, thereby failing to account for all trust funds received, deposited and disbursed by TA 1, in violation of Code Section 10145 and Regulation 2831;

(c) WCRI failed to disclose its real estate license identification number on the residential purchase agreements and/or residential listing agreement which was intended to be the first point of contact with consumers, in violation of Code Section 10140.6(b)(1) and Regulation 2773;

(d) Used the fictitious name of "1-STOP Realty Group," to conduct licensed activities including a real estate sales, without first obtaining from the Bureau a license bearing said fictitious business name, in violation of Code Section 10159.5 and Regulation 2731; and,

(e) Failed to notify the Bureau of the employment of real estate salesperson Johnny Maldonado, in violation of Code Section 10161.8 and Regulation 2752.

(Negligence)

12.

The overall conduct of Respondents WCRI and UYEMURA 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).

(Fiduciary Duty)

13.

The conduct, acts and omissions of Respondents WCRI and UYEMURA constitute a breach of fiduciary duty, owed to WCRI's clientele of good faith, trust, confidence and candor, within the scope of their relationship, in violation of Code Section 10177(g) and constitutes cause for discipline of the real estate license and license rights of said Respondents pursuant to the provisions of Code Section 10177(g).

(Supervision and Compliance)

14.

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.

DETERMINATION OF ISSUES

1.

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

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
8(a)	Code Sections 10145, 10148, 10176(e), and 10176(i) and Regulations <u>2831</u> , <u>2831.1</u> , <u>2831.2</u> , <u>2832</u> , and <u>2832(a)</u>
8(b)	Code Section 10145 and Regulation 2831
8(c)	Code Section 10145 and Regulation 2831.1
8(d)	Code Section 10145 and Regulation 2832(a)
8(e)	Code Sections 10145 and 10176(e) and Regulation 2832
8(f)	Code Sections 10145 and 10176(i) and/or <u>10177(j)</u>
8(g)	Code Section 10145 and Regulation 2831.2
8(h)	Code Section <u>10140.6(b)</u>
8(i)	Code Section <u>10148</u>
8(j)	Code Sections <u>10159.2</u> and <u>10177(h)</u> and Regulation <u>2725</u>

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

2.

The conduct of Respondents WCRI and UYEMURA, described in Finding 11, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
11(a)	Code Section 10145 and Regulation 2831
11(b)	Code Section 10145 and Regulation 2831.1
11(c)	Code Section 10140.6(b)
11(d)	Code Section 10159.5 and Regulation 2731
11(e)	Code Section 10161.8 and Regulation 2752

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

3.

The conduct of Respondents WEST COAST REALTY INC. and STEVE CRAIG UYEMURA individually and as designated officer of West Coast Realty Inc. as described in Finding 12, is in violation of Code Section 10177(g) and is cause for disciplinary action pursuant to Code Section 10177(g).

4.

The conduct of Respondents WEST COAST REALTY INC. and STEVE CRAIG UYEMURA, individually and as designated officer of West Coast Realty Inc. as described in Finding 13, is in violation of Code Section 10177(g) and is cause for disciplinary action pursuant to Code Section 10177(g).

5.

The conduct of Respondents WEST COAST REALTY INC. and STEVE CRAIG UYEMURA, individually and as designated officer of West Coast Realty Inc. as described in Finding 14, is in violation of Code Section 10177(g) and is cause for disciplinary action pursuant to Sections 10159.2 and 10177(h) and Regulation 2725.

6.

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

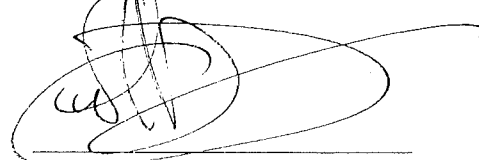
ORDER

The real estate license and license rights of Respondents WEST COAST REALTY INC. and STEVE CRAIG UYEMURA, individually and as designated officer of West Coast Realty Inc. under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on MAR 03, 2014

DATED: February 3, 2014

Real Estate Commissioner

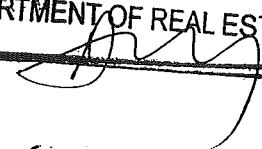


By: JEFFREY MASON
Chief Deputy Commissioner

1 Bureau of Real Estate
320 West 4th Street, Ste. 350
2 Los Angeles, California 90013-1105
3 (213) 576-6982
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FILED

JAN 24 2014

DEPARTMENT OF REAL ESTATE
BY: 

8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of)
12 WEST COAST REALTY INC.; and) No. H-39066 LA
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 11 Open House Real Estate Services;)
 12 Ryan Cole Real Estate;)
 Ryan Cole Realty;)
 13 Sutter Home Realty Company; and)
 The Virtual Realty Group,)
)
 14 Respondents.)
 15)
 16)

17 DEFAULT ORDER

18 Respondents WEST COAST REALTY INC. and STEVE CRAIG UYEMURA
 19 having failed to file a Notice of Defense within the time required by Section 11506 of the
 20 Government Code are now in default. It is, therefore, ordered that a default be entered on the
 21 record in this matter.

22 IT IS SO ORDERED

23 January 24, 2014
 Real Estate Commissioner

24 Dolores Weeks
 25 By: DOLORES WEEKS
 26 Regional Manager
 27