

FILED

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BUREAU OF REAL ESTATE

By 

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7 BEFORE THE BUREAU¹ OF REAL ESTATE
8 STATE OF CALIFORNIA

9 * * *

10	In the Matter of the Accusation of)	
)	
11	DLT LEGENDS REALTY INC.)	No. H-39799 LA
12	doing business as Legends Realty; and)	
)	<u>ACCUSATION</u>
13	MICHAEL ROBERT NAUDIN,)	
14	individually and as designated)	
15	officer of DLT Legends Realty Inc.,)	
)	
16	Respondents.)	
)	

17 The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State
18 of California, Bureau of Real Estate ("Bureau") for cause of Accusation against DLT
19 LEGENDS REALTY INC. doing business as Legends Realty and MICHAEL ROBERT
20 NAUDIN ("NAUDIN"), individually and as designated officer of DLT Legends Realty Inc.
21 (collectively "Respondents"), is informed and alleges as follows:

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23 ///

24 1.

25 ¹ Effective July 1, 2013, the California Department of Real Estate became the Department of Consumer Affairs,
26 Bureau of Real Estate ("Bureau"). References in this Accusation are to the successor entity.

1 The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State
2 of California, makes this Accusation in her official capacity.

3
4 2.

5 All references to the "Code" are to the Part 1 of Division 4 California Business
6 and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California
7 Code of Regulations.

8 Individuals and Entities

9 3.a

10 From August 10, 2011, through the present, Respondent DLT LEGENDS
11 REALTY INC. ("DLRI") has been licensed as a real estate broker. At all times relevant herein,
12 DLRI was acting by and through Respondent MICHAEL ROBERT NAUDIN as its designated
13 officer pursuant to Business and Professions Code ("Code") Section 10159.2 to be responsible
14 for ensuring compliance with the Real Estate Law.

15 3.b

16 Respondent MICHAEL ROBERT NAUDIN ("NAUDIN") was originally
17 licensed as a real estate broker on May 07, 2005. NAUDIN has been and continues to be the
18 broker/designated officer of DLRI.

19 3.c

20 Table: DLT Legends Realty Inc. Management Structure and Ownership

Name	License	Ownership/Title
Michael Robert Naudin	Broker/ Designated Officer	0%
Joe U. Delatorre	Broker/ Designated Officer	CEO 50%
Kristina Delatorre	Broker/ Designated Officer	CFO 50%

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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 NAUDIN, Joe Delatorre, Kristina Delatorre, Becky Redding, and Robert Bolender.

FIRST CAUSE OF ACCUSATION
(Property Management Audit)

Brokerage

5.

At all times mentioned, in the City of La Mirada, County of Los Angeles, Respondents DLRI and NAUDIN acted as a real estate brokers and conducted licensed activities within the meaning of Code Section 10131(b) wherein they conducted a property management brokerage.

DLRI is engaged in property management activity and managed 31 residential one-to-four family properties totaling 31 units and one apartment complex for approximately 37 owners. DLRI collected rents, paid expenses, and screened tenants for compensation. Approximately \$421,000 in trust funds was handled during the last twelve (12) months.

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1 Trust Account 2 (T/A 2)

2 Bank: Citizens Business Bank
3 300 S. Grand Ave, Ste 100
4 Los Angeles, CA 90071

5 Account Name: DLT Legends Realty Inc.
6 Dba Legends Property Management
7 PM Trust Acct #2 – Rents

8 Account Number: xxxx-xxxx-0987

9 Signatories: Joe Uriel De La Torre
10 Kristina Ann De La Torre
11 Robert D. Bolender III

12 Violations of the Real Estate Law

13 8.

14 In the course of activities described in Paragraphs 5 and 7, above, and during the
15 examination period, described in Paragraph 6, Respondents DLRI and NAUDIN acted in
16 violation of the Code and the Regulations in which Respondents:

17 (a) Failed to maintain an accurate and complete control record in the form of a
18 columnar record kept in chronological order of trust funds received but not deposited into T/A 2,
19 in violation of Code Section 10145 and Regulation 2831;

20 (b) Failed to maintain an accurate and complete separate record for each
21 beneficiary or transaction, thereby failing to account for all trust funds received, deposited and
22 disbursed for T/A 2, in violation of Code Section 10145 and Regulation 2831.1;

23 (c) Failed to place trust funds, including rents, accepted on behalf of another
24 into the hands of the owner of the funds, a neutral escrow depository or into a trust fund account
25 in the name of the trustee at a bank or other financial institution not later than three (3) business
26

1 days following receipt of the funds from RealPage/Propertyware, in violation of Code Section
2 10145 and Regulation 2832(d). Rents collected through the instrumentality of property
3 management software, to wit, Real Page/Propertyware were deposited into T/A 2 beyond three
4 (3) business days of collection (the 3 Day Rule). In addition, rents collected by
5 RealPage/Propertyware were deposited into a RealPage/Propertyware clearing account, a non
6 trust account, *before* funds received were being transferred to T/A 2.
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8 (d) (1) Permitted unlicensed RealPage/Propertyware to initiate debit/credit and
9 withdrawal of funds in DLRI's bank account, in violation of Code Section 10145 and
10 Regulation 2834(a); and

11 (d) (2) Permitted Kristina Ann De La Torre aka Kristina Delatorre, DLRI's
12 CFO/Sectary and co-owner, an unlicensed and unbonded person, to make withdrawals of trust
13 funds in DLRI's T/A 1 and T/A #2 account, in violation of Code Section 10145 and Regulation
14 2834(a); and

15 (d) (3) NAUDIN was not a signatory on T/A 1 and T/A 2 account, in violation of
16 Code Section 10145 and Regulation 2834(b); and

17 (e) Used the fictitious name of "Legends Property Management", to conduct
18 licensed activities including property management activities without first obtaining from the
19 Bureau a license bearing said fictitious business name, in violation of Code Section 10159.5 and
20 Regulation 2731.
21

22 (f) (1) Failed to maintain a written contract with salesperson Robert D. Bolender,
23 by which he accepts the delegated responsibility of DLRI's property management division, in
24 violation of Code Section 10164; and

25 (f)(2) Failed to notify the Bureau of Robert D. Bolender's appointment as
26

1 operational manager of DLRI's property management division conducted under the name
2 Legends Property Management, in violation of Code Section 10164; and

3 (g) Failed to retain all records of Respondents DLRI's activity during the audit
4 period, in violation of Code Section 10148.
5

6 9.

7 The conduct of Respondents DLRI and NAUDIN, described in Paragraph 8,
8 above, violated the Code and the Regulations as set forth below:

9 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
10 8(a)	Code Section 10145 and Regulation 2831
11 8(b)	Code Section 10145 and Regulation 2831.1
12 8(c)	Code Section 10145 and Regulation 2832(d)
13 8(d)	Code Section 10145 and Regulation 2834(a) & (b)
14 8(e)	Code Section 10159.5 and Regulation 2731
15 8(f)	Code Section 10164
16 8(g)	Code Section 10148

17
18 The foregoing violations constitute cause for the discipline of the real estate licenses and license
19 rights of Respondents DLRI and NAUDIN under the provisions of Code Sections 10145,
20 10177(d) and/or 10177(g).

21
22 SECOND CAUSE OF ACCUSATION
(Negligence)

23 10.

24 The overall conduct of Respondents DLRI and NAUDIN constitutes negligence
25 and is cause for discipline of the real estate license and license rights of said Respondents
26 pursuant to the provisions of Code Section 10177(g).


CalBRE Accusation of DLT Legends and Michael Robert Naudin

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.

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 DLT LEGENDS REALTY INC. and MICHAEL ROBERT NAUDIN, individually and as former designated officer of DLT Legends 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, restitution, and costs of investigation, enforcement and audit.

Dated at Los Angeles, California

This 7th day of April, 2015.


MARIA SUAREZ
Deputy Real Estate Commissioner

cc: DLT Legends Realty Inc.
Michael Robert Naudin
Maria Suarez
Andy Chen - Audits
Sacto