

1 Department of Real Estate  
2 107 South Broadway, Room 8107  
3 Los Angeles, California 90012  
4  
5 (213) 897-3937  
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FILED  
SEP - 8 1992  
DEPARTMENT OF REAL ESTATE  
*[Signature]*

8 DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \* \* \*

11 TO: ) No. H-1432 SA  
12 )  
12 SCARLETT ENTERPRISES LTD., ) ORDER TO DESIST  
13 a corporation; and )  
13 ROBERT FRANCIS LESH, ) AND REFRAIN  
14 individually and as )  
14 designated officer of )  
15 Scarlett Enterprises Ltd. )

16 The Real Estate Commissioner of the State of California  
17 (hereinafter Commissioner) has caused an investigation to be made  
18 of your activities requiring a real estate license and, based upon  
19 the findings of that investigation, as set forth below, is of the  
20 opinion that you have violated Section 10145 of the California  
21 Business and Professions Code (hereinafter the Code) and Sections  
22 2715, 2731, 2752, 2831.2 and 2832.1 of Title 10, Chapter 6,  
23 California Code of Regulations (hereinafter Regulations).

24 I

25 At all times mentioned herein, you, SCARLETT ENTERPRISES  
26 LTD. (hereinafter SCARLETT), a California corporation, were and now  
27 are licensed by the Department of Real Estate of the State of

1 California (hereinafter Department) as a real estate broker through  
2 ROBERT FRANCIS LESH (hereinafter LESH) as designated officer.

3 II

4 At all times mentioned, you, LESH, were and now are  
5 licensed by the Department as a real estate broker, individually  
6 and as designated officer of SCARLETT.

7 III

8 All further references herein to "you" include the  
9 parties identified in Paragraphs I and II, above, and shall be  
10 deemed to refer also to the officers, directors, employees, agents  
11 and real estate licensees employed by or associated with said  
12 parties, who at all times herein mentioned were engaged in the  
13 furtherance of the business or operations of said parties and who  
14 were acting within the course and scope of their authority and  
15 employment.

16 IV

17 At all times mentioned herein, you engaged in the  
18 business of, acted in the capacity of, advertised, or assumed to  
19 act as real estate brokers in the State of California, within the  
20 meaning of Section 10131(a) of the Code, wherein you sold or  
21 offered to sell, solicited prospective sellers or purchasers of, or  
22 negotiated the purchase, sale or exchange of real property, for  
23 another or others, for compensation or in expectation of  
24 compensation. You also handled your own escrows.

25 V

26 On or about April 2, 1992, the Department completed an  
27 examination of your books and records pertaining to the real

1 property activities described in Paragraph IV covering a six-month  
2 period ending February 28, 1992, which examination revealed  
3 violations of the Code and Regulations as set forth below.

4 VI

5 As of February 28, 1992, you used the following account  
6 as the depository of earnest money deposit trust funds received and  
7 held in trust in connection with your real estate activities, and  
8 from September 1, 1991, to November 1, 1991, this account was also  
9 used for your first four (4) escrows.

10 NAME OF ACCOUNT AND BANK

11 Scarlett Enterprises Ltd. dba  
12 ReMax Orange Empire Trust Account  
13 c/o B.E.N.  
14 Account No. [REDACTED]  
15 Security Pacific National Bank  
16 17769 Santiago Blvd.  
17 Villa Park, CA 92667  
18 (hereinafter TA # 1)

19 As of November, 1991, you used the following account as  
20 the depository of trust funds received and held in connection with  
21 your escrow activities.

22 NAME OF ACCOUNT AND BANK

23 Scarlett Enterprises Ltd. dba  
24 ReMax Orange Empire dba Scarlett Escrow  
25 Trust Account/c/o B.E.N.  
26 Account No. [REDACTED]  
27 California United Bank  
16030 Ventura Blvd.  
Encino, CA 91436  
(hereinafter TA # 2)

The authorized signatory for the two (2) accounts  
mentioned above was LESH.

VII

1  
2 As of February 28, 1992, TA # 1 and TA # 2 revealed  
3 deficits of Nine Hundred and Eighty-five Dollars and Thirty-one  
4 Cents (\$985.31) and Five Hundred and Nine Dollars and Twenty-four  
5 Cents (\$509.24), respectively. You disbursed or allowed the  
6 disbursements of funds from your trust accounts without the prior  
7 written consent of every principal, who then was an owner of funds  
8 in said accounts, where the disbursement of said funds reduced the  
9 balance of funds in the accounts to an amount which was less than  
10 the existing aggregate trust fund liability to all owners of said  
11 funds in said accounts, in violation of Section 10145 of the Code  
12 and Section 2832.1 of the Regulations.

13 VIII

14 You kept no reconciliation of records of trust funds  
15 received and disbursed as required by Section 2831 of the  
16 Regulations with the balance of all separate beneficiary or  
17 transaction records maintained pursuant to the provisions of  
18 Section 2831.1 of the Regulations in violation of Section 2831.2 of  
19 the Regulations.

20 IX

21 In or about April, 1991, you changed your main office for  
22 the conduct of activities requiring a real estate license to  
23 2592 N. Santiago Blvd., Orange, California, but failed to notify  
24 the Commissioner thereof not later than the next business day  
25 following the opening of said main office, in violation of Section  
26 2715 of the Regulations.

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X

You used the fictitious business name, "ReMax Orange Empire" (hereinafter ReMax) in the conduct of activities requiring a real estate license without holding a license bearing said fictitious business name, in violation of Section 2731 of the Regulations.

XI

You employed five (5) real estate salespersons at your main office at 2592 N. Santiago Blvd., Orange, California, without notifying the Commissioner of said employment within five (5) days, in violation of Section 2752 of the Regulations.

NOW, THEREFORE, YOU, SCARLETT ENTERPRISES LTD., AND YOUR SUCCESSORS IN INTEREST AND YOU, ROBERT FRANCIS LESH, ARE ORDERED TO DESIST AND REFRAIN from carrying on activities for which a real estate license is required unless and until you comply with Section 10145 of the Code and Sections 2715, 2731, 2752, 2831.2, and 2832.1 of the Regulations.

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FURTHER, YOU, ROBERT FRANCIS LESH, ARE ORDERED TO DESIST  
AND REFRAIN from activities requiring a real estate license as the  
designated officer of any corporate real estate broker unless and  
until that corporation is also in compliance with Section 10145 of  
the Code and Sections 2715, 2731 and 2752, 2831.2, and 2832.1 of  
the Regulations.

DATED: 9/12, 1992.

CLARK WALLACE  
Real Estate Commissioner

*Clark Wallace*

cc: Scarlett Enterprises Ltd.  
Robert Francis Lesh  
2592 N. Santiago Blvd.  
Orange, California 92667