

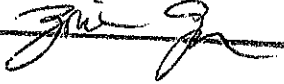
1 Bureau of Real Estate  
2 320 West 4th Street, Suite 350  
3 Los Angeles, California 90013-1105

4 Telephone: (213) 576-6982

**FILED**

JUN 14 2018

BUREAU OF REAL ESTATE

By 

8 STATE OF CALIFORNIA  
9 BUREAU OF REAL ESTATE

11 To:

12 TEMECULA VALLEY REAL  
13 ESTATE, INC.; and RONALD  
14 FORREST, individually and  
15 as Designated Officer of  
16 Temecula Valley Real Estate, Inc.,

17 Respondents.

No. H-05003 SD

ORDER TO DESIST AND  
REFRAIN  
(B&P Code Section 10086)

18 The Commissioner ("Commissioner") of the Bureau of Real Estate of the State  
19 of California ("Bureau") caused an investigation and audit to be made of the activities of  
20 TEMECULA VALLEY REAL ESTATE, INC. and RONALD FORREST, individually and as  
21 Designated Officer of Temecula Valley Real Estate, Inc. (collectively "Respondents"). Based  
22 on that investigation, the Commissioner has determined that Respondents have violated the  
23 exemption for real estate brokers performing in house escrows for their own brokered sales and  
24 loans pursuant to California Financial Code Section 17006(a)(4) ("Financial Code") as well as  
25 portions of the Real Estate Law, Part 1 of Division 4 of the California Business and Professions  
26 Code ("Code"). Furthermore, based on the investigation, the Commissioner hereby issues the  
27 following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under Code

1 Section 10086.

2 Whenever acts referred to below are attributed to Respondents those acts are  
3 alleged to have been done by Respondents, acting by themselves, or by and/or through one or  
4 more agents, associates, affiliates, and/or employees, including, but not limited to Homer David  
5 Benton and Marian Benton, unlicensed owners of Temecula Valley Real Estate, Inc., or other  
6 names or fictitious names unknown at this time.

7 FINDINGS OF FACT

8 1. Respondent TEMECULA VALLEY REAL ESTATE, INC. ("TVREI") is  
9 licensed by the Bureau as a corporate real estate broker. Respondent was originally licensed as a  
10 corporate real estate broker on January 12, 2004. Respondent's corporate real estate broker  
11 license is due to expire on January 11, 2020. Beginning January 12, 2004, and continuing to the  
12 present, Respondent has maintained the licensed fictitious business name of "Keller Williams  
13 Realty Temecula Valley." Beginning February 9, 2013, and continuing to the present,  
14 Respondent has maintained the licensed fictitious business name of "Madison Avenue Escrow, a  
15 non-independent broker escrow."

16 2. Respondent RONALD FORREST ("FORREST") is licensed by the Bureau as  
17 a real estate broker. Respondent was originally licensed as a real estate salesperson on October  
18 22, 1996, and as a real estate broker on October 4, 2007. Respondent's real estate broker license  
19 is due to expire on October 3, 2019. Beginning December 24, 2015, and continuing to the  
20 present, Respondent FORREST has been the Designated Officer of Respondent TVREI.

21 3. At no time mentioned herein was Homer David Benton or Marian Benton (the  
22 "Bentons") licensed by the Bureau as real estate brokers or real estate salespersons. In addition  
23 to owning TVREI, the Bentons own licensed California real estate corporate brokers Riverside  
24 Inland Real Estate, Inc. and Inland West Real Estate, Inc., and Respondent FORREST is the  
25 Designated Officer for both corporations.

26 4. During the period of time covered by the audit of TVREI, below, Respondents  
27 engaged in the business of real estate brokers conducting licensed activities within the meaning

1 of Code Sections 10131(a), 10131(b) and Financial Code Section 17006(a)(4) engaging in a  
2 residential resale, property management, and in-house escrow respectively.

3 5. On December 27, 2017, the Bureau completed an audit examination of the  
4 books and records of Respondent TVREI, pertaining to the activities described in Paragraph 4,  
5 that require a real estate license. The audit examination covered a period of time beginning on  
6 September 1, 2016 and ending on August 31, 2017. The audit examination revealed violations  
7 of the Real Estate Law and the Financial Code as set forth below, and more fully discussed in  
8 Audit Report Nos. SD170010 and SD170018 and the exhibits and work papers attached to said  
9 audit reports, in particular Respondents:

10 (a) Conducted third party sales escrows for real estate sales transactions  
11 conducted by not only TVREI, but also conducted by Riverside Inland Real Estate, Inc. and  
12 Inland West Real Estate, Inc., which are separate licensees, in violation of the Financial Code in  
13 that TVREI was not performing acts in the course of or incidental to a real estate transaction, in  
14 which TVREI was an agent or party to the transaction in the following instances:

<u>Escrow Number</u>	<u>Sales Transaction Through</u>	<u>Date</u>
NR-6723	Inland West Real Estate, Inc.	Oct. 26, 2016
NR-6997	Inland West Real Estate, Inc.	Apr. 10, 2017
NR-7364	Inland West Real Estate, Inc.	Aug. 29, 2017
RV-6778	Riverside Inland Real Estate, Inc.	Dec. 13, 2016
RV-6874	Riverside Inland Real Estate, Inc.	Jun. 29, 2017
RV-7338	Riverside Inland Real Estate, Inc.	Aug. 18, 2017

22 (b) Allowed unlicensed and unbonded individuals, David Benton, Marion Benton,  
23 Ann Mezzadri, Rebecca Wiggins-Donnell, Sharon Pflugradt, and Carly Dean, to be signatories  
24 on TVREI's escrow trust account. David Benton, Marion Benton, Ann Mezzadri and Carly  
25 Dean were also signatories on two trust accounts used for TVREI's property management  
26 activity. Prior to the Bureau's audit, Respondent FORREST was not a signor on any of  
27 TVREI's trust accounts;

1 (c) Failed to maintain a control record and a separate record of the receipt and  
2 disbursal of trust funds in connection with TVREI's property management activity;

3 (d) Failed to perform a monthly reconciliation of the control record to the separate  
4 record of trust funds received and disbursed in connection with TVREI's property management  
5 activity;

6 (e) Used fictitious business names that were not registered with the Bureau by  
7 Respondents, such as "Madison Avenue Escrow", "Keller Williams Realty", "Temecula Valley  
8 Market Center", "Keller Williams Realty, Inc.", "The Benton Group", "KW Temecula", and  
9 "KW Keller Williams";

10 (f) Operated branch office locations that were not registered with the Bureau by  
11 Respondents at 27290 Madison Avenue, Suite 201, Temecula, CA 92590, 3646 Hamner Ave.,  
12 Norco, CA 92860, and 7898 Mission Grove Pkwy South, Suite 102, Riverside, CA 92508; and

13 (g) As to Respondent FORREST, failed to supervise the activities of TVREI and its  
14 employees to ensure compliance with the Real Estate Law.

15 CONCLUSIONS OF LAW

16 6. All references to the "Code" are to the California Business and Professions  
17 Code, all references to the "Real Estate Law" are to Part 1 of Division 4 of the Code, and all  
18 references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

19 7. Based on the Findings of Fact contained in Findings 5(a), above, Respondents  
20 TEMECULA VALLEY REAL ESTATE, INC. and RONALD FORREST, acting by themselves,  
21 or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, including,  
22 but not limited to Homer David Benton and Marian Benton, unlicensed owners of Temecula  
23 Valley Real Estate, Inc., violated Financial Code Section 17006(a)(4), by conducting third party  
24 escrows.

25 8. Based on the Findings of Fact contained in Finding 5(b), above, Respondents  
26 violated Code Section 10145 and Regulations 2834 and 2951, in allowing unlicensed and  
27 unbonded individuals to be signors on bank accounts used for trust funds.

1           9. Based on the Findings of Fact contained in Finding 5(c), above, Respondents  
2 violated Code Section 10145 and Regulations 2831 and 2931.1, in failing to maintain a separate  
3 record and a control record of trust funds received and disbursed.

4           10. Based on the Findings of Fact contained in Finding 5(d), above, Respondents  
5 violated Code Section 10145 and Regulation 2831.2, in failing to perform a monthly  
6 reconciliation of the receipt and disbursement of trust funds.

7           11. Based on the Findings of Fact contained in Finding 5(e), above, Respondents  
8 violated Code Section 10159.5 and Regulation 2731, by conducting activities that require a real  
9 estate license using fictitious business names that are not registered with the Bureau on  
10 Respondents' licenses.

11           12. Based on the Findings of Fact contained in Finding 5(f), above, Respondents  
12 violated Code Section 10163 and Regulation 2715, in conducting activities that require a real  
13 estate license from addresses that were not registered with the Bureau as branch office locations.

14           13. Based on the Findings of Fact contained in Finding 5(g), above, Respondent  
15 FORREST violated Code Sections 10159.2, and 10177(h) and Regulation 2725, in failing to  
16 supervise the activities of TVREI and its employees to ensure compliance with the Real Estate  
17 Law.

18 ///  
19 ///  
20 ///  
21 ///  
22 ///  
23 ///  
24 ///  
25 ///  
26 ///  
27 ///

