

1 Department of Real Estate  
2 320 West Fourth Street, Suite 350  
3 Los Angeles, California 90013-1105

4 (213) 576-6911

FILED  
SEP - 6 2000  
DEPARTMENT OF REAL ESTATE

By K. Wiederholt

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \* \* \*

11 To:	)	
	)	
	)	No. H-28727 LA
	)	
13 DILBECK, INC.;	)	<u>ORDER TO DESIST</u>
14 and MARK RAYMUNDO DILBECK,	)	<u>AND REFRAIN</u>
15 individually and as	)	
16 designated officer of	)	
Dilbeck, Inc.,	)	
	)	
16 Respondents.	)	

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18 The Real Estate Commissioner of the State of California  
19 (Commissioner) has caused an investigation to be conducted and is  
20 of the opinion that you, DILBECK, INC., dba Dilbeck Realtors  
21 Better Homes & Gardens, Dilbeck Realtors James R. Gary Better  
22 Homes & Gardens, Dilbeck Realtors Since 1963, Keeler Dilbeck  
23 Realtors, Bliss Keeler Realtors, (DI) have violated Sections  
24 10145, 10148 and 10176(g) of the Business and Professions Code  
25 (Code) and Sections 2731, 2831, 2831.1, 2831.2, 2832, 2832.1,  
26 2950(d), 2950(g), and 2951 of Title 10, Chapter 6, California  
27 Code of Regulations (Regulations) and you, MARK RAYMUNDO DILBECK

1 (DILBECK), have violated Sections 10177(h) and 10159.2 of the  
2 Code.

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4 At all times herein mentioned, you, DI, a corporation,  
5 were and still are licensed by the Department of Real Estate of  
6 the State of California (Department) as a corporate real estate  
7 broker.

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9 At all times herein mentioned, you, DILBECK, were and  
10 still are licensed by the Department as a real estate broker,  
11 individually and as designated officer of DI.

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13 All further references herein to "you" includes the  
14 parties identified in Paragraph 1 and 2 and also includes the  
15 officers, directors, employees, agents and real estate licensees  
16 employed by or associated with those parties, who at all times  
17 herein mentioned were engaged in the furtherance of the business  
18 or operations of those parties and who were acting within the  
19 course and scope of their authority and employment.

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21 At all times mentioned, in the City of La Canada-  
22 Flintridge, Los Angeles County, Respondents acted as real estate  
23 brokers within the meaning of Section 10131(a) of the Code,  
24 primarily including the operation of a residential resale  
25 property brokerage and secondarily, a commercial property  
26 brokerage. DI and DILBECK also engaged in property management  
27 activities with the public within the meaning of Section 10131(b)

1 of the Code. In addition, you conducted broker controlled  
2 escrows under the exemption set forth in Section 17006(a)(4) of  
3 the California Financial Code.

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5 On October 13, 1999, the Department completed an  
6 investigative audit of DI's books and records covering a period  
7 from June 1, 1997 and ending on August 31, 1999.

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9 At all times mentioned herein, in connection with the  
10 aforesaid real estate activities described in Paragraph 4, above,  
11 you, DI and you, DILBECK, accepted or received funds in trust  
12 (trust funds) from or on behalf of actual or prospective buyers  
13 and sellers and lessors and lessees, and thereafter made  
14 disposition of such funds. DI maintained the following two trust  
15 accounts into which funds from or on behalf of actual or  
16 prospective buyers and sellers and lessors and lessees were  
17 deposited as set forth below:

18 Dilbeck, Inc. dba Keeler Dilbeck Realtors Trust Account  
19 Account No. 0013010064  
20 City National Bank  
City of Commerce, California (T/A #1)

21 (This account was used as a depository for rental income and  
22 expenses pertaining to property management and lease payments to  
lenders).

23 Dilbeck Realtors James R. Gary Better Homes & Gardens, dba  
24 Glenfinnan, Escrow Division Trust Account  
Account No. 189-1010777  
25 Commercia Bank of California  
Woodland Hills, California (T/A #2)

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2 In connection with the trust funds referred to in  
3 Paragraph 6 above, you, DI, acted in violation of the Code and  
4 Regulations in that:

5 (a) As of August 31, 1999, you permitted, allowed or  
6 caused the accumulation of an overage, which, on the aforesaid  
7 date was \$3,931.43, in T/A #1, in violation of Section 10145 of  
8 the Code;

9 (b) As of August 31, 1999, you permitted, allowed or  
10 caused the disbursement of trust funds from the payment trust  
11 account, T/A #2, reducing the total of aggregate funds therein to  
12 an amount which was \$1,406.79, less than the existing aggregate  
13 trust fund liability of DI to every principal who was an owner of  
14 the funds, without having first obtained their prior written  
15 consent, in violation of Section 10145 of the Code and Section  
16 2832.1 of the Regulations;

17 (c) You failed to maintain adequate columnar records  
18 of all trust funds received and disbursed for T/A #2 and you  
19 failed to maintain a complete and accurate control record for T/A  
20 #2, in violation of Regulations 2831, 2950(d) and 2951;

21 (d) You failed to maintain complete and accurate  
22 separate records for each beneficiary or transaction, accounting  
23 therein for all trust funds received, deposited and disbursed for  
24 T/A #1 and you failed to maintain any separate records for T/A  
25 #2, in violation of Regulation 2831.1, 2950(d) and 2951;

26 (e) You failed to reconcile the aggregate balance of  
27 all separate beneficiary or transaction records with the record



1 of all trust funds received and disbursed for T/A #2, in  
2 violation of Regulation 2831.2; and

3 (f) You failed to deposit trust funds into the trust  
4 account not later than three business days following the receipt  
5 of funds by the broker or by the broker's salesperson, in  
6 violation of Section 2832 of the Regulations.

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8 A designated representative of the Department gave  
9 notice and made demand to you, DI, to examine and inspect the  
10 books, accounts and records received or generated by you, by and  
11 through your agents and employees including Chris Rigby, Louis  
12 Malaga, and Harlene Dunn, in the course of property management  
13 and trust fund handling activities requiring a real estate  
14 license during the audit period described in Paragraph 5. At all  
15 times since said notice and demand, you have failed and/or  
16 refused to provide the said books, accounts, records, and files  
17 including invoices and receipts for your property management  
18 activities with regard to the management of 2545 Doolittle Ave.

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20 The investigative audit revealed that you  
21 used the fictitious business name of "Glenfinnan Escrow" to  
22 conduct licensed activities without holding a license bearing  
23 said fictitious business name, in violation of Section 2731 of  
24 the Regulations.

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26 The audit examination also revealed that you, DI, took  
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1 a secret profit in violation of Section 10176(g) of the Code in  
2 connection with providing licensed services within the meaning of  
3 Section 10131(b) of the Code to Charles and Jeannie Morgan. Your  
4 conduct in taking a secret profit undisclosed to the aforesaid  
5 owners constitutes a violation of Section 10176(g) of the Code.

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7 Your conduct, DILBECK, in failing to supervise DI, and  
8 for failing to keep it in compliance with the Real Estate Law  
9 during the time that you were the officer designated by a  
10 corporate broker licensee, constitutes a failure to exercise  
11 reasonable supervision and control over the licensed activities  
12 of DI and its salespersons which require a real estate license,  
13 in violation of Section 10159.2 of the Code.

14 YOU, DILBECK, INC., YOUR AGENTS, EMPLOYEES, SUCCESSORS,  
15 ASSIGNS AND LICENSEES, ARE ORDERED TO DESIST AND REFRAIN from any  
16 and all conduct requiring a real estate license unless and until  
17 you comply with Sections 10145, 10148 and 10176(g) of the  
18 Business and Professions Code and Sections 2731, 2831, 2831.1,  
19 2831.2, 2832, 2832.1, 2950(d), 2950(g), and 2951 of the  
20 Regulations.

21 YOU, MARK RAYMUNDO DILBECK, ARE ORDERED TO DESIST AND  
22 REFRAIN from any and all conduct requiring a real estate license

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unless and until you comply with Section 10159.2 of the Code.

DATED August 29, 2000.

PAULA REDDISH ZINNEMANN  
Real Estate Commissioner

  
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cc: Dilbeck, Inc.  
c/o Mark Raymundo Dilbeck  
1030 Foothill Blvd.  
La Canada-Flintridge, CA 91001