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FILED

JUN 26 2014

BUREAU OF REAL ESTATE

By *John Aguilar*

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7
8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) CalBRE No. H-39509 LA
12)
12 LOS ANGELES APARTMENT) A C C U S A T I O N
CORPORATION and)
13 RONALD O. ESCOBAR,)
individually, and as designated)
14 officer of Los Angeles Apartment)
Corporation,)
15)
16 Respondents.)

17
18 The Complainant, Maria Suarez, a Deputy Real Estate
19 Commissioner of the State of California, for cause of Accusation
20 against LOS ANGELES APARTMENT CORPORATION and RONALD O. ESCOBAR,
21 individually, and as designated officer of Los Angeles Apartment
22 Corporation (collectively "Respondents"), is informed and
23 alleges as follows:

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1.

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

2.

All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to the Regulations of the Real Estate Commissioner, Title 10, Chapter 6, California Code of Regulations.

3.

Respondents are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the Code).

4.

From June 13, 2009, through the present, Respondent LOS ANGELES APARTMENT CORPORATION ("LAAC") has been licensed and/or has license rights by the Bureau of Real Estate ("Bureau") as a real estate corporation, License ID 01844635. From December 10, 2009, through the present, Respondent LAAC has been licensed to do business as Select Real Estate.

5.

From October 30, 2004, through the present, Respondent RONALD O. ESCOBAR ("ESCOBAR") has been licensed by the Bureau as a real estate broker, License ID 01460645.

1 6.

2 At all times herein mentioned, Respondent LAAC was licensed
3 as real estate corporation, acting by and through Respondent
4 ESCOBAR as LAAC's designated broker-officer. As the officer
5 designated by Respondent LAAC pursuant to Section 10211 of the
6 Code, ESCOBAR was responsible for the supervision and control of
7 the activities conducted on behalf of Respondent LAAC by its
8 officers and employees as necessary to secure full compliance
9 with Real Estate Law as set forth in Section 10159.2 of the
10 Code.

11 7.

12 From October 30, 2004, through October 29, 2008, Select
13 Real Estate Corp. was licensed by the Bureau as a real estate
14 corporation, License ID 01460646. Respondent ESCOBAR was the
15 designated officer for Select Real Estate Corp. from October 30,
16 2004, through October 29, 2008. Select Real Estate Corp.'s
17 license expired on October 30, 2008.

18 8.

19 From May 10, 1988, through October 27, 2010, Ron Tavakoli
20 ("Tavakoli") was licensed by the Bureau as a real estate broker,
21 License ID 00988642. Tavakoli's real estate broker license
22 expired on October 28, 2010.

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At all times mentioned herein, Eugene Fu was not licensed by the Bureau in any capacity.

FIRST CAUSE OF ACCUSATION

(White Oak Property)

10.

In or around January, 2011, Respondent ESCOBAR, while doing business as Select Real Estate, offered to list and negotiate the sale of real property located on White Oak Avenue, in Encino, California ("White Oak property"), for prospective seller Erick A. ESCOBAR and Select Real Estate acted as brokers for Erick A. in the short sale of the White Oak property. Erick A. dealt primarily with Eugene Fu during the short sale transaction. Eugene Fu claimed to be employed as an assistant to ESCOBAR and acted on behalf of ESCOBAR and Select Real Estate.

11.

Escrow closed on or around December 21, 2011. According to several documents including, without limitation, the final HUD-1 statement, the affidavits of arm's length transactions, and the lender's approval to close, all commissions including administrative fees were not to exceed six percent of the selling price or \$9,300. Erick A. was to receive a \$20,000 incentive for the transaction and a separate incentive payment

1 of \$3,000 provided under the Home Affordable Foreclosure
2 Alternatives ("HAFA") program. Respondent ESCOBAR signed
3 affidavits of arm's length transactions under penalty of perjury
4 which affirmed that there was no agreement, understanding, or
5 contract relating to the short sale which had not been disclosed
6 to the lender.

7 12.

8 At the close of escrow, the escrow company issued a payment
9 of \$23,000 to the seller, Erick A., from the proceeds of the
10 short sale transaction. The total commission of \$9,300 was
11 split between the listing and selling brokers. Select Real
12 Estate's commission was \$4,650. ESCOBAR instructed the escrow
13 company to deduct \$1,595.04 from Select Real Estate's commission
14 to pay for homeowners association ("HOA") fees. \$3,395.04 was
15 separately deducted from the proceeds HOA fees from escrow.

16 13.

17 After the close of escrow, Erick A. met ESCOBAR for the
18 first time at ESCOBAR's office. ESCOBAR demanded that Erick A.
19 pay commissions and fees outside of escrow that were not
20 disclosed to the seller's lender. ESCOBAR demanded \$10,000 from
21 Erick A. as payment for alleged legal fees that ESCOBAR claimed
22 were owed to Tavakoli. At that time, Tavakoli's real estate
23 broker was expired. Tavakoli was licensed to practice law in
24 California. ESCOBAR is not a licensed attorney. Erick A. did

1 not receive any copy of any retainer for Tavakoli's services as
2 Erick A.'s attorney. Erick A. never met with Tavakoli. ESCOBAR
3 also demanded \$1,595.04 from Erick A. as reimbursement for HOA
4 fees. ESCOBAR demanded that Erick A. issue a personal check for
5 \$10,000 made payable to "Attorney Legal Solutions" for legal
6 fees owed to Tavakoli. ESCOBAR also demanded that Erick A.
7 issue a separate personal check for \$1,595.04 made payable to
8 Select Real Estate for reimbursement of a credit paid from
9 ESCOBAR's commission through escrow. ESCOBAR collected the
10 payments from Erick A. as a condition for releasing Erick A.'s
11 proceeds owed from escrow.

12 14.

13 Erick A. subsequently cancelled payment of the personal
14 checks he made to Attorney Legal Solutions. Thereafter, ESCOBAR
15 sent a letter on behalf of Select Real Estate to Erick A.
16 demanding payment of \$10,000 to Attorney Legal Solutions APC as
17 a "contingency fee" for negotiating the \$20,000 incentive
18 payment granted to Erick A. by his lender. ESCOBAR claimed that
19 Select Real Estate worked with Attorney Legal Solutions to
20 negotiate the short sale of Erick A.'s property. ESCOBAR's
21 letter stated that if Erick A. did not pay the \$10,000, ESCOBAR
22 would inform Erick A.'s lender that Erick A. did not live at the
23 White Oak property at the time of the short sale which would
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1 have made Erick A. ineligible for the incentive payments
2 received from his lender.

3 15.

4 The conduct, acts and/or omissions of Respondents as set
5 forth above in Paragraphs 10 through 14, constitute cause for
6 the suspension or revocation of the licenses and license rights
7 of Respondents LAAC and ESCOBAR pursuant to Code Sections Code
8 sections 10176(a) (substantial misrepresentation), 10176(g)
9 (undisclosed amount of compensation), 10176(i) (fraud or
10 dishonest dealing) or 10177(j) (fraud or dishonest dealing),
11 10177(d) (violation of the Real Estate Law), 10177(h) (failure
12 to supervise), and/or 10177(g) (negligence).

13 SECOND CAUSE OF ACCUSATION

14 (Broker Office Survey)

15 16.

16 There is hereby incorporated in this Second, separate and
17 distinct Cause of Accusation, all of the allegations contained
18 in Paragraphs 1 through 15, with the same force and effect as if
19 herein fully set forth.

20 17.

21 On or about December 13, 2012, the Bureau conducted a
22 broker office survey (BOS) of LAAC. The BOS covered LAAC's
23 activities requiring a real estate broker license. The BOS
24 found the following violations:

- 1 (a) Regulation 2726 - LAAC had no written broker-
2 salesperson agreement for real estate salesperson,
3 Yanir Stein.
- 4 (b) Regulation 2726 - LAAC failed to have a written
5 broker-salesperson agreement for real estate
6 salesperson, Melissa Yee Bederman.
- 7 (c) Regulation 2752 - Respondent ESCOBAR failed to notify
8 the Bureau salesperson Cesar Alex Rodriguez had
9 changed his employment from ESCOBAR to LAAC.
- 10 (d) Regulation 2905 - LAAC's transaction file for the sale
11 of real property located on Fulbright Ave., in
12 Winnetka, California, did not contain any written
13 proof that the buyer had received a termite report or
14 completion of a termite inspection.
- 15 (e) Code sections 10130 and/or 10159.5- LAAC and ESCOBAR
16 used the unlicensed fictitious business name, Select
17 Real Estate Corp., for listing the sale of real
18 property located on Fulbright Ave., in Winnetka,
19 California.
- 20 (f) Code sections 10130 and 10137 - LAAC's transaction
21 file for the short sale of a real property located on
22 West 121st St., in Hawthorne, California, showed that a
23 commission was paid to Select Real Estate Corp. after
24 the expiration of Select Real Estate Corp.'s real

1 estate corporation license.

2 (g) Code sections 10147.5 and/or 10176(f) - LAAC's
3 transaction file for the sale of real property located
4 on Sawtelle Blvd., in Culver City, California, did not
5 contain a copy of the listing agreement, i.e., no
6 written proof that negotiability of commission was
7 disclosed or if there was a definite termination date
8 of the agreement.

9 18.

10 The conduct, acts and/or omissions of Respondents as set
11 forth above in Paragraph 17, constitute cause for the suspension
12 or revocation of the licenses and license rights of Respondents
13 LAAC and ESCOBAR pursuant to Code Sections Code sections
14 10177(d) (violation of the Real Estate Law), 10177(h) (failure
15 to supervise), and/or 10177(g) (negligence).


16 19.

17 Code Section 10106 provides, in pertinent part, that in any
18 order issued in resolution of a disciplinary proceeding before
19 the Bureau of Real Estate, the Commissioner may request the
20 administrative law judge to direct a licensee found to have
21 committed a violation of this part to pay a sum not to exceed
22 the reasonable costs of the investigation and enforcement of the
23 case.

1 WHEREFORE, Complainant prays that a hearing be conducted on
2 the allegations of this Accusation and that upon proof thereof,
3 a decision be rendered imposing disciplinary action against all
4 licenses and/or license rights of Respondents LOS ANGELES
5 APARTMENT CORPORATION and RONALD O. ESCOBAR, individually, and
6 as designated officer of Los Angeles Apartment Corporation under
7 the Real Estate Law (Part 1 of Division 4 of the Business and
8 Professions Code), for the cost of investigation and enforcement
9 as permitted by law, and for such other and further relief as
10 may be proper under other provisions of law.

11 Dated at Los Angeles, California

12 this 25th day of June, 2014.

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16 MARIA SUAREZ
17 Deputy Real Estate Commissioner
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21 cc: Los Angeles Apartment Corporation
22 Ronald O. Escobar
23 Maria Suarez
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