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•	1	ELLIOTT MAC LENNAN, Counsel (SBN 66674	+) FILED			
	2	Bureau of Real Estate 320 West 4th Street, Suite 350	APR - 8 2015			
	3	Los Angeles, California 90013-1105	BUREAU OF REAL ESTATE			
	4	Telephone: (213) 576-6982	By			
	5	Direct: (213) 576-6911				
	6					
	7	BEFORE THE BUREAU	J ¹ 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)	ACCUSATION			
	13	MICHAEL ROBERT NAUDIN,) individually and as designated)				
	14	officer of DLT Legends Realty Inc.,)				
	15	Respondents.				
-	16					
	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 desig				
	21	(collectively "Respondents"), is informed and all	eges as follows:			
	22					
	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.				
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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 Part 1 of Division 4 California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

Individuals and Entities

3.a

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

3.b

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

3.c

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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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)

5.

Brokerage

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 16 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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Audit Examination

6.

On June 5, 2013, the Bureau completed an audit examination of the books and records of Respondent DLRI pertaining to the property management activities described in Paragraph 5, which require a real estate license. The audit examination covered a period of time beginning on January 1, 2012 and ending on January 31, 2013. The audit examination revealed violations of the Code and Regulations as alleged in the following paragraphs, and more fully set forth in Audit Report LA 120192 and the exhibits and work papers attached thereto.

Trust Accounts

7.

At all times mentioned, in connection with the real estate activities described in Paragraph 5, above, DLRI accepted or received funds including funds in trust ("trust funds") from or on behalf of property owners and tenants handled by DLRI and thereafter made deposits and or disbursements of such funds. From time to time herein mentioned, during the audit period and thereafter, said trust funds were deposited and/or maintained by DLRI in the trust accounts described below:

Trust Account 1 (T/A 1)

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

Account Name: DLT Legends Realty Inc. Dba Legends Property Management PM Trust Acct #1 – Security Dep.

Account Number: xxxx-xxxx-0944

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

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1	Trust Account 2 (T/A 2)				
2	Bank: Citizens Business Bank				
3	300 S. Grand Ave, Ste 100 Los Angeles, CA 90071				
4	Account Name: DLT Legends Realty Inc.				
5	Dba Legends Property Management PM Trust Acct #2 – Rents				
6	Account Number: xxxx-xxxx-0987				
7					
8	Signatories: Joe Uriel De La Torre Kristina Ann De La Torre				
9	Robert D. Bolender III				
10	Violations of the Deal Estate Law				
11 12	Violations of the Real Estate Law 8.				
12					
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					
	CalBRE Accusation of DLT Legends and Michael Robert Naudin				
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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
	trust account, <i>before</i> funds received were being transferred to T/A 2.
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 18	(e) Used the fictitious name of "Legends Property Management", to conduct
19	licensed activities including property management activities without first obtaining from the
20	Bureau a license bearing said fictitious business name, in violation of Code Section 10159.5 and
21	
22	Regulation 2731.
23	(f) (1) Failed to maintain a written contract with salesperson Robert D. Bolender,
24	by which he accepts the delegated responsibility of DLRI's property management division, in
25	violation of Code Section 10164; and
26	(f)(2) Failed to notify the Bureau of Robert D. Bolender's appointment as
	CalBRE Accusation of DLT Legends and Michael Robert Naudin
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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				
5	9.			
6	6 The conduct of Respondents DI RI and NAUDIN described in Paragraph 8			
	 above, violated the Code and the Regulations as set forth below: 			
9	PARAGRAPHPROVISIONS VIOLATED8(a)Code Section 10145 and Regulation 2831			
10 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, 10177(d) and/or 10177(g).			
20				
21	SECOND CAUSE OF ACCUSATION			
23	(Negligence)			
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).			
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THIRD CAUSE OF ACCUSATION (Fiduciary Duty)

11.

The conduct, acts and omissions of Respondents DLRI and NAUDIN constitute a breach of fiduciary duty owed to DLRI's clients and trust fund beneficiaries of good faith, trust, confidence and candor, within the scope of their brokerage, in violation of Code Section 10177(d) and 10177(g) especially with regard to delegation of trust fund handling to RealPage Inc./Propertyware and constitutes cause for discipline of the real estate license and license rights of said Respondents.

FOURTH CAUSE OF ACCUSATION (Supervision and Compliance)

12.

The overall conduct of Respondent NAUDIN constitutes a failure on his part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of DLRI in violation of Code Section 10159.2 and Regulation 2725, and to keep DLRI in compliance with the Real Estate Law. Said conduct, acts and omissions are cause for the suspension or revocation of the real estate license and license rights of NAUDIN pursuant to the provisions of Code Section 10177(h).

13.

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

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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 allegationsof 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 , 2015. dav of

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Deputy Real Estate Commissioner

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

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