

FILED

JUL 16 2015

BUREAU OF REAL ESTATE

By *Sybil Danner*

BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

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In the Matter of the Accusation of)	No. H-39838 LA
)	
MARIO PANCHI CHANG, individually)	
and as designated officer of)	
CBD Cerritos Inc. and)	
CBD CERRITOS INC.,)	
)	
Respondents.)	
)	

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on June 16, 2015, and the findings of fact set forth herein are based on one or more of the following: (1) Respondent MARIO PANCHI CHANG's express admissions; (2) affidavits; and (3) Bureau Audit Report LA 130261, dated August 29, 2014; and (4) other evidence.

FACTUAL FINDINGS

1.

On May 8, 2015, Maria Suarez made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and a Notice of Defense was mailed by regular and certified mail to Respondents' addresses of record on May 19, 2015.

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2.

On June 16, 2015, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondents MARIO PANCHI CHANG's and CBD CERRITOS' default was entered herein.

3.

Respondent MARIO PANCHI CHANG ("CHANG") is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as a real estate broker, license ID 00839236. Respondent was originally licensed as a real estate salesperson by the Bureau on or about July 31, 1982, and licensed as a real estate broker since August 8, 1988. Respondent CHANG is currently the designated officer of CBD Cerritos Inc. CHANG's designated officer affiliation has an expiration date of August 7, 2016. CHANG is also the Agent for Service of Process for CBD CERRITOS, INC.

4.

Respondent CBD CERRITOS INC. ("CCI") is presently licensed and/or has license rights under the Real Estate Law (Part 2 of Division 4 of the Code), as a real estate corporation, license ID 01526233. Respondent CCI was originally licensed as a real estate corporation by the Bureau on or about October 27, 2008. Respondent CCI has held "21st Century Dynasty Escrow" (a non-independent broker escrow) as an active DBA registered with the Bureau since October 4, 2010. CCI is an active California corporation with Articles of Incorporation filed with the California Secretary of State on July 28, 2003 and a Statement of Information filed on July 17, 2014. Respondents operated residential resale brokerages and engaged in activities relating to selling, buying, offering to buy, soliciting prospective sellers or purchasers of, soliciting or obtaining listings of, or negotiating the purchase, sale or exchange of real property or a business opportunity pursuant to Business and Professions Code Section 10131(a). In addition, Respondents conducted broker-controlled escrows under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction where the broker was a party and where the broker was performing acts for which a real estate license is required.

5.

On August 29, 2014, the Bureau completed an audit examination of the books and records of CCI pertaining to the activities described in Finding 4 that require a real estate license. The audit examination covered a period of time beginning on January 1, 2013 to May 31, 2014. The audit examination revealed that Respondent CCI acted in violation of the Business and Professions Code ("Code") and the Title 10, Chapter 6, California Code of Regulations ("Regulations") in that it:

(a) Permitted, allowed or caused the disbursement of trust funds without prior written consent of the owners of said funds, in violation of Code Section 10145 and Regulations 2832.1 and 2951;

(b) Failed to make available during the audit examination the deposit and trust fund records, in violation of Code Section 10148 and Regulation 2950(e);

(c) Failed to designate an officer as a signatory to the trust accounts and failed to maintain fidelity bond coverage for non-licensee signatories to the trust fund accounts, in violation of Code Section 10145 and Regulations 2834 and 2951;

(d) Failed to timely deposit escrow trust funds, in violation of code Section 10145 and Regulations 2832(e), 2950(f) and 2951;

(e) Failed to disclose in writing to the owners of the trust funds the earnings credits received by CCI for the trust fund accounts maintained by CCI, in violation of Code Sections 10145 and 10176(g) and Regulations 2830 and 2951;

(f) Failed to advise in writing in at least four transactions, to all parties that CCI and/or CHANG had an interest as a stockholder, officer, partner or owner, in violation of Regulation 2950(h); and

(g) Failed to obtain a license from the Bureau for the fictitious business names "Dynasty Escrow" and "Coldwell Banker Dynasty" before using such fictitious business names on transaction documents, a violation of Code Section 10159.5 and Regulation 2731.

6.

The audit examination also revealed that in the course of supervising the activities of CCI as described in Finding 4 and during the examination period described in Finding,5, Respondent CHANG failed to adequately supervise, review, oversee, inspect and manage, in violation of Code Sections 10159.2 and 10177(h) and Regulations 2725, and in conjunction with Code Section 10177(d).

7.

The overall conduct of Respondents CCI and CHANG is violative of the Real Estate Law under the provisions of Code Sections 10177(g), 10176(i), 10177(j) and 10177(d).

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8.

To date, the Bureau of Real Estate has incurred costs totaling \$1,047.25 in its investigation and enforcement of Case No. H-38949 LA.

9.

To date, the Bureau of Real Estate has incurred costs totaling \$3,676.50 in completing Audit No. LA 130261.

DETERMINATION OF ISSUES

1.

The conduct of Respondent CCI, as described in Findings 5 and 6 herein above, is in violation of Code Sections 10145, 10159.5, 10177(g), 10176(i), 10177(j), 10177(d), and Regulations 2832.1, 2951, 2950(e), 2834, 2832(e), 2950(f), 2830, 2950(h), and 2731.

2.

The conduct of Respondent CHANG, as described in Findings 5 and 6 herein above, is in violation of Code Sections 10159.2, 10177(g), 10176(i), 10177(j) and 10177(d).

3.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

ORDER

The real estate broker license and license rights of Respondent MARIO PANCHI CHANG and CBD CERRITOS INC. under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on
AUG 05 2015, 2015.

DATED: July 5, 2015

REAL ESTATE COMMISSIONER



By: JEFFREY MASON
Chief Deputy Commissioner

1 Bureau of Real Estate
2 320 West Fourth Street, Suite 350
3 Los Angeles, CA 90013
4 (213) 576-6982

FILED

JUN 16 2015

BUREAU OF REAL ESTATE

By *Gregg Manno*

7 BEFORE THE BUREAU OF REAL ESTATE

8 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of) NO. *H-39838 LA*
12)
12 MARIO PANCHI CHANG,)
13 individually and as designated)
13 officer of CBD Cerritos Inc.)
14 and CBD CERRITOS INC.,)
15) DEFAULT ORDER
15 Respondents.)
16)

17
18 Respondents MARIO PANCHI CHANG and CBD CERRITOS, INC.,
19 having failed to file a Notice of Defense within the time required by Section 11506 of the
20 Government Code, are now in default. It is, therefore, ordered that a default be entered on
21 the record in this matter.

22 IT IS SO ORDERED JUNE 16, 2015.

23 REAL ESTATE COMMISSIONER

24
25 By: *Phillip Ihde*
26 PHILLIP IHDE
27 Regional Manager