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**FILED**

**APR 08 2016**

**BUREAU OF REAL ESTATE**

By John Guilan

11 BUREAU OF REAL ESTATE

12 STATE OF CALIFORNIA

13 \* \* \*

14 In the Matter of the Accusation of ) No. H- 40196 LA  
15 )  
16 A-TEAM REAL ESTATE SOLUTIONS )  
17 INC., and HAROLD C. SHAW, )  
18 individually, and as designated officer )  
19 of A-Team Real Estate Solutions Inc., )  
20 Respondents. )  
21 \_\_\_\_\_ )

22 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator, for  
23 cause of Accusation against Respondents A-TEAM REAL ESTATE SOLUTIONS INC., doing  
24 business as CAL/NET Escrow a non-independent broker escrow, ("A-TEAM"); and, HAROLD  
25 C. SHAW ("SHAW"), individually, and as designated officer for A-TEAM, (sometimes  
26 collectively referred to as Respondents) is informed and alleges as follows:

27 1.

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator, makes  
this Accusation in her official capacity.

1 2.

2 A-TEAM is presently licensed and/or has license rights under the Real Estate Law  
3 (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code"), as a real estate  
4 corporation acting by and through SHAW as its designated broker-officer. The broker license of  
5 A-TEAM is scheduled to expire on August 1, 2018.

6 3.

7 SHAW is presently licensed and/or has license rights under the Real Estate Law  
8 as a real estate broker. At all times relevant herein SHAW was the designated officer of A-  
9 TEAM. The broker license of SHAW is scheduled to expire on December 15, 2016.

10 4.

11 A-TEAM is authorized to use the fictitious business name "CAL/NET Escrow a  
12 non-independent broker escrow."

13 5.

14 All further references to respondents herein includes A-TEAM and SHAW, and  
15 also includes officers, directors, employees, agents and real estate licensees employed by or  
16 associated with A-TEAM and SHAW, and who at all times herein mentioned were engaged in  
17 the furtherance of the business or operations of A-TEAM and SHAW, and who were acting  
18 within the course and scope of their authority and employment.

19 6.

20 At all times relevant herein SHAW, as the officer designated by A-TEAM,  
21 pursuant to Section 10211 of the Code, was responsible for the supervision and control of the  
22 activities conducted on behalf of A-TEAM by its officers and employees as necessary to secure  
23 full compliance with the Real Estate Law as set forth in Section 10159.2 of the Code.

24 7.

25 SHAW ordered, caused, authorized or participated in the conduct of A-TEAM, as  
26 is alleged in this Accusation.

27 ///

1 8.

2 At all times relevant herein Respondents were engaged in the business of, acted in  
3 the capacity of, advertised or assumed to act as real estate brokers and/or real estate corporations  
4 in the State of California, within the meaning of Code Sections 10131(a). Said activities included  
5 soliciting sellers and buyers for the listing, sale and purchase of real property, negotiating the  
6 purchase and sale of real property on behalf of buyers and sellers, including negotiating short  
7 sales of real property on behalf of buyers and sellers, for compensation or in expectation of  
8 compensation.

9 9.

10 Respondents also conducted broker-controlled escrows through the escrow  
11 division of A-TEAM, using the authorized fictitious business name "CAL/NET Escrow a non-  
12 independent broker escrow" under the exemption set forth in California Financial Code Section  
13 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction  
14 where the broker is an agent or a party to the transaction and in which the broker is performing  
15 acts for which a real estate license is required.

16 FIRST CAUSE OF ACCUSATION

17 (Audit Violations)

18 10.

19 On or about August 26, 2015, the Bureau completed an audit examination of the  
20 books and records of Respondent A-TEAM pertaining to the real estate activities described in  
21 Paragraph 9, above, covering a period from February 1, 2013, to May 31, 2015.

22 11.

23 At all times mentioned herein, and in connection with the activities described in  
24 Paragraph 9, above, A-TEAM accepted or received funds to be held in trust ("trust funds") from  
25 or on behalf of actual or prospective parties to transactions handled by Respondents, and  
26 thereafter made deposits and/or disbursements of such funds. From time-to-time herein  
27 mentioned during the audit period, said trust funds were deposited into bank accounts maintained

1 by Respondents as follows:

2 T/A 1

3 Account Name: Harold C. Shaw  
4 Account No. xxxxxxxx4792  
5 Bank Name: Wells Fargo Bank, P.O. Box 6995, Portland, Oregon 97228-6995  
6 Signatories: SHAW  
7 Account Status: Inactive as of May, 2015  
8 Signatories: One (1) signature required  
9 Description: Account used for the handling of trust fund receipts and disbursements  
10 related to broker escrow activity.

11 T/A 2

12 Account Name: A-Team Real Estate Solutions Inc.  
13 DBA CAL/NET Escrow a non-independent broker escrow  
14 Escrow Trust Account  
15 Account No.: xxxxxxxx8430  
16 Bank Name: Citizens Business Bank, P.O. Box 51000, Ontario, California 91761  
17 Signatories: SHAW  
18 Account Status: Active since November, 2014 (Opened on October 16, 2014)  
19 Description: Account used for handling of trust fund receipts and disbursements related  
20 to A-TEAM's broker escrow activity

21 T/A 3

22 Account Name: A-Team Real Estate Solutions Inc.  
23 CAL/NET Escrow a non-independent broker escrow  
24 Trust Account  
25 Account No. xxxxxxxx8970  
26 Bank Name: US Bank, P.O. Box 1800, St. Paul, Minnesota 55101-0800  
27 Signatories: SHAW

1 Account Status: Inactive as of January 1, 2015; closed as of March 5, 2015  
2 Description: Account used for the handling of trust fund receipts and disbursements  
3 related to A-TEAM's broker escrow activity  
4 Note: T/A 3 was replaced by T/A 4 on March 5, 2015, due to T/A 3's fraudulent  
5 activities totaling \$37,306.71 during the period February 2, 2015, to  
6 February 10, 2015.

7 T/A 4

8 Account Name: A-Team Real Estate Solutions Inc.  
9 CAL/NET Escrow a non-independent broker escrow trust account  
10 Account No.: xxxxxxxxx2974  
11 Bank Name: US Bank, P.O. Box 1800, St. Paul, Minnesota 55101-0800  
12 Signatories: SHAW  
13 Account Status: Inactive (Opened as of March 5, 2015)  
14 Description: Used as a replacement account for T/A 3. T/A 4 used for the handling of  
15 trust fund receipts and disbursements related to A-TEAM's broker escrow  
16 activity

17 12.

18 The audit examination revealed violations of the Code by Respondents, as set  
19 forth in the following paragraphs, and more fully discussed in Audit Report No. LA 140204 and  
20 the exhibits and work papers attached to the audit report:

21 (a) Respondents permitted, allowed or caused the withdrawal or disbursement of  
22 trust funds from the escrow trust accounts maintained as T/A 1 and T/A 2 so that the trust  
23 accounts had a combined shortage of <\$487> as of May 31, 2015. The combined shortage was  
24 caused by bank charges. Respondents provided no evidence that the owners of the trust funds had  
25 given their written consent to allow Respondents to reduce the balance of the funds combined in  
26 the trust accounts to an amount less than the existing aggregate trust fund liabilities in violation  
27 of Code Section 10145(a) and Sections 2832.1 and 2951, Title 10, Chapter 6, Code of

1 Regulations (“Regulations”). Subsequent to the audit period, Citizens Business Bank credited  
2 T/A 2 with \$608.00 on July 7, 2015, for the bank fees accumulated in T/A 2 as of June 30, 2015.  
3 Wells Fargo Bank credited T/A 1 with \$49.00 on June 15, 2015. TEAM-A deposited \$30.00 of  
4 its own funds to T/A 1 on June 15, 2015.

5 T/A 3 had a shortage of <\$37,306.71> as of February 28, 2015. The shortage was  
6 caused by fraudulent activities occurring during the period February 2, 2015, to February 10,  
7 2015. B/A 3’s bank balance of \$139,120.80 as of March 5, 2015, was transferred to T/A 4.

8 (b) Respondents failed to disclose to the owners of the trust funds in T/A 2 that A-  
9 TEAM engaged in an earnings credit relationship with Citizens Business Bank whereby it  
10 received earnings credit from the funds available in T/A 2. The monthly earnings credit was used  
11 to offset combined bank service charges in T/A 2. Respondents received \$698.00 in earnings  
12 credit from March 1, 2015, to May 31, 2015. This is in violation of Code Sections 10145 and  
13 10176(g) and Sections 2830 and 2951 of the Regulations.

14 (c) At least three escrow transaction files showed that Respondents failed to  
15 advise all parties in writing that A-TEAM and Silvia Petrusan, A-TEAM’s president, have a  
16 financial interest as the owners of CAL/NET Escrow a non-independent broker escrow in  
17 violation of Section 2950(h) of the Regulations.

18 (d) At least five escrow transaction files revealed that Respondents performed  
19 escrow services in which Respondent was not an agent or a party to the transaction per the  
20 requirement of Financial Code Section 17006(a)(4). This is in violation of the exemption of  
21 Financial Code Section 17006(a)(4).

22 (e) Respondents failed to maintain a distinguished trust fund record (control  
23 record) of T/A 1 and T/A 2 during the period of November, 2014, to May, 2015. Respondents  
24 maintained only one set of records for the trust funds handled through T/A 1 and T/A 2 for the  
25 audit period. This is in violation of Code Section 10145 and Sections 2831 and 2951 of the  
26 Regulations.

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1 DISCIPLINARY STATUTES AND REGULATIONS

2 13.

3 The conduct of Respondents described in Paragraph 12, above, violated the Code  
4 and the Regulations as set forth below:

5 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
6 12(a)	Code Section 10145(a); Sections 2832.1 and 2951 of the 7 Regulations
8 12(b)	Code Sections 10145 and 10176(g); Section 2830 and 2951 of the 9 Regulations
10 12(c)	Section 2950(h) of the Regulations
11 12(d)	Financial Code Section 17006(a)(4)
12 12(e)	Code Section 10145 and Sections 2831 and 2951 of the 13 Regulations. 14

15 14.

16 The foregoing violations, as set forth hereinabove, constitute cause for the  
17 suspension or revocation of the real estate licenses and license rights of Respondents A-TEAM  
18 and SHAW under the provisions of Code Sections 10177(d) for violation of the Real Estate Law  
19 and/or 10177(g) for negligence or incompetence.

20 SECOND CAUSE OF ACCUSATION

21 (Failure to Supervise against SHAW)

22 15.

23 Complainant hereby incorporates by referenced the allegations set forth in  
24 Paragraphs 1 through 14, above.

25 16.

26 The conduct, acts and/or omissions of SHAW in allowing A-TEAM to violate the  
27 Real Estate Law, as set forth above, constitutes a failure by SHAW, as the officer designated by

1 the corporate broker licensee, to exercise the supervision and control over the activities of A-  
2 TEAM as required by Code Section 10159.2, and is cause to suspend or revoke the real estate  
3 licenses and license rights of SHAW under Code Sections 10177(d), 10177(g) and/or 10177(h).

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

8 WHEREFORE, Complainant prays that a hearing be conducted on the allegations  
9 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary  
10 action against all the licenses and license rights of Respondents A-TEAM REAL ESTATE  
11 SOLUTIONS INC. and HAROLD C. SHAW under the Real Estate Law (Part 1 of Division 4 of  
12 the Business and Professions Code), for the cost of investigation and enforcement as permitted  
13 by law, for the cost of the audit and follow-up audit as provided in Code Section 10148, and for  
14 such other and further relief as may be proper under other applicable provisions of law.

15 Dated at San Diego, California

16 this 4<sup>th</sup> day of April, 2016.

17  
18   
19 Veronica Kilpatrick  
Deputy Real Estate Commissioner

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21  
22 cc: A-TEAM REAL ESTATE SOLUTIONS INC.  
23 HAROLD C. SHAW  
24 Veronica Kilpatrick  
25 Sacto  
26  
27