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	LISSETE GARCIA, Counsel (SBN 211552) Bureau of Real Estate	FILED
2	320 West 4th Street, Suite 350	JUN 2 3 2016
3	Los Angeles, California 90013-1105 Telephone: (213) 576-6982	BUREAU OF REAL ESTATE
4	Direct: (213) 576-6914 Fax: (213) 576-6917	By John Lighthon
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8	BEFORE THE BUREAU O	F REAL ESTATE
. 9	STATE OF CALIF	
10	* * *	
11	In the Matter of the Accusation against) No. H-40293 LA
12	CONNECT REALTY ESCROW, INC., THOMAS LEE PIVETTI, individually and as	ACCUSATION
13	designated officer of Connect Realty Escrow, Inc., and RAYMOND PAUL JUNE,	
14	Respondents.	
15		
16	The Complainant, Maria Suarez, a Sup	pervising Special Investigator for the
17	Bureau of Real Estate ("Bureau") of the State of Calif	fornia, for cause of Accusation against
18	CONNECT REALTY ESCROW, INC., THOMAS L	EE PIVETTI, individually and as
19	designated officer of Connect Realty Escrow, Inc., an	d RAYMOND PAUL JUNE (collectively
20	"Respondents"), alleges as follows:	
21	1.	-
22	The Complainant, Maria Suarez, actin	g in her official capacity as a Supervising
23	Special Investigator, makes this Accusation against R	lespondents.
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1	2.
2	All references to the "Code" are to the California Business and Professions Code and all
3	references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.
4	3.
5	Respondents are presently licensed and/or have license rights under the Real Estate Law
6	(Part 1 of Division 4 of the California Business and Professions Code).
7	4.
8	From July 3, 2014, through the present, Respondent CONNECT REALTY ESCROW,
9	INC. ("CREI") has been licensed by the Bureau as a real estate corporation, License ID
10	01959839. At all times mentioned herein, CREI was licensed to do business as "Connect
11	Escrow a nonindependent broker escrow."
12	5.
13	From September 4, 2007 through the present, Connectrealty.com, Inc. has been licensed
14	by the Bureau as a real estate corporation, License ID 01823864.
15	6.
16	From March 18, 1980, through the present, Respondent THOMAS LEE PIVETTI
17	("PIVETTI") has been licensed by the Bureau as a real estate broker, License ID 00429006.
18	PIVETTI's real estate broker license is set to expire on August 8, 2016, unless renewed.
19	PIVETTI has renewal rights under Code section 10201. The Bureau retains jurisdiction under
20	Code section 10103. PIVETTI has been licensed as the designated officer for CREI since July 3
21	2014. PIVETTI has been licensed as the designated officer for Connectrealty.com, Inc. since
22	December 18, 2013.
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	CalBRE Accusation against Connect Realty Escrow, Inc., et a Page 2

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2	At all times herein mentioned, Respondent CREI and Connectrealty.com, Inc. were
3	licensed as real estate corporations, acting by and through Respondent PIVETTI as their
4	designated officer. As the officer designated by Respondents CREI and Connectrealty.com, Inc.
5	pursuant to Section 10211 of the Code, PIVETTI was responsible for the supervision and control
6	of the activities conducted on behalf of Respondents CREI and Connectrealty.com, Inc., by its
7	officers and employees, as necessary to secure full compliance with Real Estate Law as set forth
8	in Code Section 10159.2 and Regulation 2725.
9	8.
10	From June 18, 2007, through the present, Respondent RAYMOND PAUL JUNE
11	("JUNE") has been licensed by the Bureau as a real estate broker, License ID 01419551. JUNE
12	is an officer, director, or person owning or controlling ten percent or more of CREI's stock.
13	JUNE was appointed as branch/division manager for Connectrealty.com, Inc.'s branch offices
14	located at: 464 Arneill Road, Camarillo, California 93010 ¹ and 1203 E. Harvard Blvd., Santa
15	Paula, California 93060.
16	9.
17	From January 22, 1998, through the present, Jose Bautista Garcia ("Garcia") has been
18	licensed by the Bureau as a real estate broker, License ID 01094268. On June 13, 2014, the
19	Bureau received a copy of a Fictitious Business Name Statement filed with the Ventura County
20	Clerk and Recorder which noted that Garcia was Secretary of CREI.
21	10.
22	From October 25, 1990, through August 26, 2015, Lucy Ann Garcia ("Garcia") was been
23	licensed by the Bureau as a real estate salesperson, License ID 01093727. Lucy Ann Garcia's
24	¹ 464 Arneill Road, Camarillo, California 93010 is the main office and mailing address for Respondent CREI. CalBRE Accusation against Connect Realty Escrow, Inc., et al Page 3
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real estate salesperson license expired on August 26, 2015. The Bureau retains jurisdiction under Code section 10103.

Audit LA 150063

11.

5 On or about March 28, 2016, the Bureau completed an audit examination of the books 6 and records of Respondent CREI's activities which require a real estate license pursuant to Code 7 section 10131, subdivisions (a) and (d). CREI conducted broker-controlled escrows through its 8 escrow division, under the exemption set forth in California Financial Code Section 17006(a)(4) 9 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. 10° 11 The audit examination covered a period of time from June 1, 2014 through November 30, 2015. The audit examination revealed violations of the Code and the Regulations as set forth in the 12 following paragraphs, and more fully discussed in Audit Report LA 150063 and the exhibits and 13 14 work papers attached to said audit report.

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12.

An entrance interview was held on December 16, 2015 with Respondent JUNE. Lucy 16 17 Ann Garcia and JUNE provided CREI's records to the Bureau's auditor for examination. The audit was limited to CREI's broker escrow activities conducted under the fictitious business 18 name, "Connect Escrow, a nonindependent broker escrow." According to JUNE, CREI 19 20 performed real estate sales activities, representing both buyers and sellers, during the audit period. CREI also provided escrow services to its clients. CREI closed approximately 23 21 escrows during the audit period and collected escrow trust funds amounting to \$1,845,415.00 for 22 a twelve month period ending on November 30, 2015. According to JUNE, he was the sole 23 24 officer and shareholder for CREI.

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1	13.
2	According to JUNE, CREI maintained the following bank account for its broker escrow
3	activities during the audit period:
4	Bank Account #1 (BA1)
5	Bank: Bank of America Account Name: Connect Realty Escrow, Inc.
6	Account #: xxxxx5792 Signer(s): June and Lucy Ann Garcia, an unlicensed person as of
. 7	August 26, 2015 # of signatures required: One (1)
8	Violations
9	14.
10	In the course of its broker escrow activities during the audit examination period described
11	above in Paragraph 11, Respondents CREI and JUNE acted in violation of the Code and the
12	Regulations as follows:
13	14(a). Issue One. Code Section 10145(a) and Regulations 2832.1 and 2951. Trust fund
14	handling for multiple beneficiaries/Broker handled escrows
15	As of November 30, 2015, BA1 had a minimum shortage of <\$2,851.19>. The minimum
16	shortage was caused by minimum unauthorized disbursements of <\$2,350.25>, minimum bank
17	charges of <\$437.00>, and minimum unidentified causes of <\$63.94> as of November 30, 2015.
18	Respondents failed to provide any evidence that the owners of the trust funds had given their
19	written consent to allow Respondents to reduce the balance of the funds in BA1 to an amount
20	less than the existing aggregate trust fund liabilities, in violation of Code section 10145 and
21	Regulations 2832.1 and 2951.
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	CalBRE Accusation against Connect Realty Escrow, Inc., et al Page 5
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1	14(b). Issue Three ² . Code Section 10145 and Regulations 2832 and 2951. Trust fund				
2	handling/Trust Account Designation/Broker handled escrow				
3	BA1 was used to hold trust funds for CREI's broker escrow activities and was not				
4	designated as a trust	account in CR	EI's name as trustee, in violati	on of Code Section 10145 and	
5	Regulations 2832 and	1 2951. An ex	amination of BA1's bank sign	ature card dated June 6, 2014	
6	did not show that BA1 was a trust account.				
7	14(c). <u>Issue I</u>	Four. Code Se	ctions 10145, 10177(j) and Re	gulation 2950(g). Trust fund	
8	handling/Unauthoriz	ed Disburseme	ents/Broker handled escrow		
9	An examination of BA1's bank statements, separate records, records of receipts and				
10	disbursements, and re	ecord of recon-	ciliation, showed unauthorized	l disbursements that included	
11	wire transfers, credit	card payments	s and checks issued as of Nove	ember 30, 2015 which totaled	
12	<2,350.25>. The una	authorized dist	pursements were identified une	der escrow no. 9999999 for	
13	payment of general expenses during the audit period.				
14	The unauthorized disbursements are listed below:				
15	Date	<u>Amount</u>	Description	Escrow #	
16	5/14/2015	\$106.30	Discovery Card	999999	
17	11/12/2015	\$128.50	Ocean Loan Services	999999	
18	11/30/2015	\$1,015.45	Citbank/CC Payment	999999	
19	11/30/2015	\$1,100.00	Connect Escrow	999999	
20	Respondents failed to provide any evidence that the owners of the trust funds had given				
21	their written consent to allow CREI to reduce the balance of the funds in BA1 to an amount less				
22	than the existing agg	regate trust fu	nd liabilities, in violation of C	ode section 10145 and	
23	Regulations 2832.1	and 2951.			
24	² Issue Two was intentio	nally skipped.			
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1	14(d). Issue Five. Code Section 10145 and Regulations 2831 and 2951. Trust fund					
2	records to be maintained/Broker handled escrow					
3	Respondents failed to maintain accurate or complete records of trust funds received and					
4	disbursed (control re	ecords) in conne	ection with CREI's broker escre	ow activity for	BA1, in	
5	violation of Code se	ction 10145 and	d Regulations 2381 and 2951.	CREI did not h	ave an accurate	
6	running daily balanc	e. The followi	ng sample of deposits, disburse	ments, and bar	nk charges in	
7	BA1 were examined	l and were foun	d to have not been recorded on	the control rec	ords "Ledger	
8	report for a period of	f time" maintai	ned by CREI during the audit p	eriod.		
9			Deposits			
10	<u>Date</u> 11/03/2015	<u>Amount</u> \$75.00	<u>Description</u> Unidentified mobile deposit	<u>Escro</u> 99999		
11	11/16/2015	\$175.00	Unidentified mobile deposit	99999	9	
12	11/19/2015 \$1,000.00 Unidentified mobile deposit 9999999					
13			Disbursements			
14	Date cleared 11/12/2015	<u>Amount</u> \$125.00	<u>Description</u> Ocean Loan Services	<u>Check No</u> . WO/404	<u>Escrow</u> 999999	
15	11/30/2015	\$1,015.45	Citibank/CC Payment	85860	999999	
			Bank Charges			
16	Date	Amount	Description			
17	11/02/2015 11/05/2015	\$25.00 \$30.00	Wire transfer fee Stop payment fee			
18	11/12/2015	\$30.00	Wire transfer fee			
19	11/18/2015	\$35.00	Overdraft fee			
20	14(e). <u>Issue</u>	Six. Code Sec	tion 10145 and Regulations 28	31.1 and 2951.	. Separate	
21	records for each beneficiary or transaction					
22	Respondents	s failed to main	tain complete and/or accurate s	separate record	s for BA1 of all	
23	trust funds received	and disbursed	related to CREI's broker escro	w activities, in	violation of	
24	Code section 10145	and Regulation	ns 2831.1 and 2951. Some of t	he unauthorize	ed disbursements	
			CalBRE Accusation aga Page 7	inst Connect Real	lty Escrow, Inc., et al	
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· . 1	and bank charges from February 2, 2015 through November 18, 2015 were not posted on the		
2	separate record: The unauthorized disbursements from BA1 in the month of November 2015		
3	totaled \$2,243.95. Samples of bank charges on CREI's bank statements that were not recorded		
4	on CREI's separate record include the following:		
5	Bank Charges		
6	Date Amount Description		
7	11/02/2015 \$25.00 Wire transfer fee 11/05/2015 \$30.00 Stop payment fee		
8	11/12/2015 \$30.00 Wire transfer fee 11/18/2015 \$35.00 Overdraft fee		
9'	14(f). Issue Seven. Code Section 10145 and Regulations 2831.2 and 2951. Bank		
10	account reconciliation/Broker handled escrow		
11	During the audit period, Respondents failed to maintain a complete and accurate monthly		
12	reconciliation of all the separate records compared to the records of all trust funds received and		
13	disbursed (control records) in connection to CREI's broker escrow activities in BA1, in violation		
14	of Code section 10145 and Regulations 2831.2 and 2951.		
15	14(g). Issue Eight. Code Section 10145 and Regulations 2834 and 2951. Bank account		
16	withdrawals/Broker handled escrow		
17	Respondent PIVETTI was not an authorized signer on CREI's BA1 account and Lucy		
18	Ann Garcia, an unlicensed person as of August 26, 2015 without fidelity bond coverage, was		
19	allowed to make withdrawals and sign checks for BA1, in violation of Code Section 10145 and		
20	Regulations 2831.2 and 2951.		
21	14(h). Issue Nine. Regulation 2950(h). Broker handled escrow		
22	An examination of five sample CREI transactions showed that CREI did not disclose in		
23	writing to all principals of the escrow transactions that CREI and Respondent JUNE had any		
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	CalBRE Accusation against Connect Realty Escrow, Inc., et al Page 8		

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1	interest as a stocknoider, on	interest as a stockholder, officer, partner, or owner of the agency handling the escrow, in			
2	violation of Regulation 295	violation of Regulation 2950(h). Said sample transactions are described below:			
3	Date Closed	Escrow No.	Escrow Instruction Date	Borrower	
4	10/12/2014	201027	8/29/2014	D.N. ³	
	10/28/2014	14-2002-LA	9/19/2014	M.C.	
5	3/25/2015	15-2013-LA	2/23/2015	M.W.	
	4/16/2015	15-2010-LA	1/8/2015	M.M.	
6	10/30/2015	15-2025ADM	9/9/2015	KYM	
7	(i). <u>Issue Ten. Code</u>	Section 10086 and Fi	inancial Code Section 17006(a)(4). Exemption	
8	from Escrow Law – Third p	arty escrow			
9	During the audit per	iod, CREI performed	escrow services for at least thr	ee (3) escrow	
10	transactions when CREI wa	is not an agent or a pai	rty to the transaction in violation	on of Financial	
11	Code Section 17006(a)(4) a	nd Code Section 1008	36. The three escrow transaction	ons are described	
12	below:				
			, 		
13	Date closed	Escrow No.	Borrower		
14	10/12/2014	201027	D.N.		
	10/28/2014	14-2002-LA	M.C.		
15	4/16/2015	15-2010-LA	M.M.		
16		for the above-referen	nced escrow transactions were a	made payable to	
17	Garcia.				
10	14(i). Issue Eleven.	. Code Sections 10159	9.2 and 10177(h) and Regulation	on 2725.	
18					
19	Responsibility of corporate	officer/Broker superv	<u>/ision</u>		
20	Respondent PIVET	TI failed to exercise re	easonable supervision and cont	trol of CREI's	
20		11 - 1.1 at m		dan Carda Gaatian	
21			Real Estate Law as required un	der Code Section	
22	10159.2 and Regulation 27	25, in violation of Coo	de Section 10177(h).		
23			stect their privacy. Documents conta		
24	names will be provided during the a timely and proper request for d		case to Respondents and/or their atto 's counsel.	orneys, after service of	
		Call Pag	BRE Accusation against Connect Re	alty Escrow, Inc., et al	

15. 1 2 The conduct of Respondents CREI and JUNE, described above in Paragraphs 14(a) 3 through 14(i), violated the Code and the Regulations as set forth below: 4 PARAGRAPH PROVISIONS VIOLATED 5 14(a) Code Section 10145 and Regulations 2832.1 and 2951 Code Section 10145 and Regulations 2832 and 2951 6 14(b) 7 14(c)Code Sections 10145, 10177(j), and Regulation 2950(g) 8 14(d) Code Section 10145 and Regulations 2831 and 2951 9 14(e) Code Section 10145 and Regulations 2831.1 and 2951 10 Code Sections 10145 and Regulations 2831.2 and 2951 14(f)11 14(g)Code Sections 10145 and Regulations 2834 and 2951 12 14(h) Regulation 2950(h) 13 Code Section 10086 and Financial Code Section 17006(a)(4) 14(i) 14 The foregoing violations constitute cause for the suspension or revocation of the real estate licenses and license rights of CREI and JUNE under the provisions of Code Sections 15 16 10177(d), 10177(j), and /or 10177(g). 17 16. 18 The conduct of Respondent PIVETTI, described above in Paragraph 14(j), violated the 19 Code and the Regulations as set forth below: 20PROVISIONS VIOLATED PARAGRAPH 21 14(j) Code Sections 10159.2, 10177(h), and Regulations 2725 The foregoing violation constitutes cause for the suspension or revocation of the real 22 23 estate license and license rights of Respondent PIVETTI under the provisions of Code Sections 24 10177(h), 10177(d), and /or 10177(g). CalBRE Accusation against Connect Realty Escrow, Inc., et al

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1	17.
2	The conduct, acts and/or omissions of Respondents JUNE and PIVETTI constitutes cause
3	for the suspension or revocation of the real estate licenses and license rights of Respondents
4	JUNE and PIVETTI pursuant to Code Sections 10164, 10165, 10177(h), 10177(d) and/or
5	10177(g) for failure to supervise the licensed activities of CREI.
6	Audit Costs
7	18.
8	Code Section 10148(b) provides, in pertinent part, that the Commissioner shall charge a
9	real estate broker for the cost of any audit, if the Commissioner has found in a final decision
10	following a disciplinary hearing that the broker has violated Code section 10145 or a regulation
11	or rule of the Commissioner interpreting said section.
12	Investigation/Enforcement Costs
13	19.
14	Code Section 10106 provides, in pertinent part, that in any order issued in resolution of a
15	disciplinary proceeding before the Bureau of Real Estate, the Commissioner may request the
16	administrative law judge to direct a licensee found to have committed a violation of this part to
17	pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.
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	CalBRE Accusation against Connect Realty Escrow, Inc., et al Page 11
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L.	
· , 1	WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this
2	Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action
. 3	against all licenses and/or license rights of Respondents under the Real Estate Law (Part 1 of
4	Division 4 of the Business and Professions Code), for the costs of the audit, investigation, and
5	enforcement as permitted by law, and for such other and further relief as may be proper under
6	other provisions of law.
7	Dated at Los Angeles, California this 23rd day of, 2016.
8	maria
9	MARIA SUAREZ
10	Supervising Special Investigator
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18	
19	cc: Connect Realty Escrow, Inc.
20	Thomas Lee Pivetti Raymond Paul June
21	Maria Suarez Sacto
22	Audits/Anna Hartoonian
23	
24	
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