

FILED

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BUREAU OF REAL ESTATE

By *Paul Sabido*

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9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

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12 In the Matter of the Accusation of) No. H-41569 LA
13)
13 MAC BENNETT ENTERPRISES INC,) A C C U S A T I O N
14 doing business as)
14 International Realty & Investments, and)
15 MALCOLM NATHANIEL BENNETT,)
15 doing business as)
16 International Realty & Investments,)
17 individually and as designated officer of)
17 Mac Bennett Enterprises Inc,)
18)
18 Respondents.)
19)

20 The Complainant, María Suárez, a Supervising Special Investigator of the
21 State of California, for cause of Accusation against MAC BENNETT ENTERPRISES INC,
22 doing business as International Realty & Investments, and MALCOLM NATHANIEL
23 BENNETT, doing business as International Realty & Investments, individually and as
24 designated officer of Mac Bennett Enterprises Inc (“Respondents”), is informed and alleges as
25 follows:

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1 1.

2 The Complainant, María Suárez, acting in her official capacity as a Supervising
3 Special Investigator of the State of California, makes this Accusation against Respondents
4 MAC BENNETT ENTERPRISES INC and MALCOLM NATHANIEL BENNETT.

5 2.

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

8 LICENSE HISTORY

9 3.

10 Respondent MAC BENNETT ENTERPRISES INC ("MAC BENNETT
11 ENTERPRISES") presently has license rights under the Real Estate Law, Part 1 of Division 4
12 of the Code as a corporate real estate broker.

13 4.

14 Respondent MALCOLM NATHANIEL BENNETT ("BENNETT") presently
15 has license rights as a real estate broker.

16 5.

17 Respondent MAC BENNETT ENTERPRISES is licensed by the Department of
18 Real Estate ("Department") as a corporate real estate broker by and through Respondent
19 BENNETT, as the designated officer and broker responsible, pursuant to Code section 10159.2,
20 for supervising the activities requiring a real estate license conducted on behalf of MAC
21 BENNETT ENTERPRISES, or by MAC BENNETT ENTERPRISES'S officers, agents and
22 employees.

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1 PRIOR LICENSE DISCIPLINE

2 6.

3 The Real Estate Commissioner in Case No. H-22524 LA, effective
4 September 2, 1986, revoked Respondent BENNETT'S real estate broker license and provided
5 BENNETT with the right to a restricted real estate broker license under certain conditions.

6 BROKERAGE

7 MAC BENNETT ENTERPRISES INC

8 7.

9 At all times mentioned, in the City of Los Angeles, County of Los Angeles,
10 Respondent MAC BENNETT ENTERPRISES acted as a real estate broker, conducting
11 licensed activities within the meaning of Code section 10131(b) (leases or rents real property
12 for others).

13 AUDIT

14 MAC BENNETT ENTERPRISES INC

15 8.

16 On March 29, 2019, the Department completed audit examinations of the books
17 and records of Respondent MAC BENNETT ENTERPRISES pertaining to the activities
18 described in Paragraph 7 which require a real estate license. The audit examinations covered a
19 period of time from January 1, 2017, to August 31, 2018. The audit examinations revealed
20 violations of the Code and the Regulations as set forth in the following paragraphs, and as more
21 fully discussed in Audit Report LA180023 and the exhibits and workpapers attached to said
22 audit report.

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1 9.

2 Respondents MAC BENNETT ENTERPRISES and BENNETT accepted or
3 received funds in trust ("trust funds") including, but not limited to, rental security deposits and
4 rents. Thereafter, Respondents made deposits and or disbursements of such trust funds.
5 During the during the examination periods described in Paragraph 8 above, Respondents
6 deposited or maintained trust funds in the following bank accounts:

7 Trust Account 1: Bank of America account ending in 446.

8 Trust Account 2: Bank of America account ending in 160.

9 Bank Account 1: Bank of America account ending in 987.

10 Bank Account 2: Bank of America account ending in 212.

11 Bank Account 3: Bank of America account ending in 711.

12 Bank Account 4: Bank of America account ending in 570.

13 Bank Account 5: Bank of America account ending in 999.

14 Bank Account 6: Bank of America account ending in 935.

15 AUDIT VIOLATIONS OF THE REAL ESTATE LAW

16 10.

17 In the course of activities described in Paragraph 7 above and during the
18 examination periods described in Paragraph 8 above, Respondents MAC BENNETT
19 ENTERPRISES and BENNETT acted in violation of the Code and the Regulations in that:

20 10(a) As of August 31, 2018, Respondent MAC BENNETT ENTERPRISES
21 had a trust fund shortage in the amount of: (1) \$56,715.16 in Trust Account 1;
22 (2) \$11,574.31 in Trust Account 2; (3) \$85,730.33 in Bank Account 1;
23 (4) \$1,395.03 in Bank Account 2; (5) \$3,049.00 in Bank Account 3;
24 (6) \$2,482.36 in Bank Account 4; (7) \$3,375.70 in Bank Account 5; and
25 (8) \$2,035.36 in Bank Account 6. Respondent did not have written consent from the owners of
26 the trust funds to reduce the balance of trust funds to an amount less than the aggregate trust
27 fund liabilities, in violation of Code section 10145 and Regulations section 2832.1.

1 10(b) Respondent MAC BENNETT ENTERPRISES did not maintain a
2 complete and accurate control record or general ledger of all trust funds received and disbursed,
3 in violation of Code section 10145 and Regulations section 2831.

4 10(c) Respondent MAC BENNETT ENTERPRISES did not maintain a
5 complete and accurate separate record of all trust funds received and disbursed for each
6 beneficiary in connection with Respondent's property management activities, in violation of
7 Code section 10145 and Regulations section 2831.1.

8 10(d) Respondent MAC BENNETT ENTERPRISES did not perform and
9 maintain a monthly reconciliation of all the separate records with the control record of all trust
10 funds received and disbursed, in violation of Code section 10145 and Regulations
11 section 2831.2.

12 10(e) Bank accounts used by Respondent MAC BENNETT ENTERPRISES
13 for trust funds were not designated as a trust account in violation of Code section 10145 and
14 Regulations section 2832.

15 10(f) Respondent MAC BENNETT ENTERPRISES failed to deposit trust
16 funds into a trust account within three business days following receipt of the trust funds by
17 MAC BENNETT ENTERPRISES, in violation of Code section 10145 and Regulations
18 section 2832.

19 10(g) Respondents MAC BENNETT ENTERPRISES and BENNETT
20 converted trust funds, in violation of Code sections 10145 and 10176(i).

21 10(h) Respondent MAC BENNETT ENTERPRISES did not disclose its real
22 estate identification number on solicitation materials intended to be the first point of contact
23 with consumers, including, but not limited to, property management agreements, in violation of
24 Code section 10140.6.

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1 The foregoing violations constitute cause for the suspension or revocation of all
2 the licenses, license endorsements, and license rights of Respondent MAC BENNETT
3 ENTERPRISES under the Real Estate Law pursuant to the provisions of Code
4 sections 10176(i), 10177(d), and 10177(g).

5 The foregoing violations constitute cause for the suspension or revocation of all
6 the licenses, license endorsements, and license rights of Respondent BENNETT under the Real
7 Estate Law pursuant to the provisions of Code sections 10176(i), 10177(d), 10177(g), and
8 10177(h).

9 12.

10 Code section 10148(b) provides, in pertinent part, that the Real Estate
11 Commissioner shall charge a real estate broker for the cost of any audit if the Commissioner has
12 found in a final decision, following a disciplinary hearing, that the broker has violated Code
13 section 10145 or a Regulation or rule of the Commissioner interpreting said Code section.

14 13.

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

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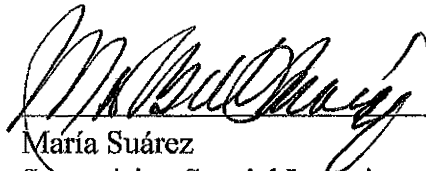
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1 WHEREFORE, Complainant prays that a hearing be conducted on the
2 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
3 disciplinary action against all the licenses, license endorsements, and license rights of
4 Respondents MAC BENNETT ENTERPRISES INC and MALCOLM NATHANIEL
5 BENNETT under the Real Estate Law, for the cost of audit, investigation, and enforcement as
6 permitted by law, and for such other and further relief as may be proper under other applicable
7 provisions of law.

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9 Dated at Los Angeles, California

10 this 19th day of December, 2019.

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12 
13 María Suárez
14 Supervising Special Investigator

15 cc: MAC BENNETT ENTERPRISES INC
16 MALCOLM NATHANIEL BENNETT
17 María Suárez
18 Sacto.
19 Audits
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