

FILED

NOV 17 2021

DEPT. OF REAL ESTATE
By _____

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7
8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	No. H-42137 LA
12	LAURUS GROUP, INC.; and)	
13	SUNIL KIRIT MEHTA,)	<u>ACCUSATION</u>
14	individually and as designated)	
15	officer of Laurus Group, Inc.,)	
16	Respondents.)	

17 The Complainant, Maria Suarez, a Supervising Special Investigator of the State
18 of California, acting in her official capacity, for cause of Accusation against LAURUS
19 GROUP, INC. ("LGI") and SUNIL KIRIT MEHTA ("MEHTA"), individually and as
20 designated officer of Laurus Group, Inc., is informed and alleges as follows:

21 1.

22 The Complainant, Maria Suarez, acting in her official capacity as Supervising
23 Special Investigator of the State of California, makes this Accusation.

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

3.

a. LGI is presently licensed and/or issued by the Department Real Estate as a real estate corporation (license no. 01521569). LGI was licensed from on or about January 23, 2006 to January 22, 2010 and from on or about April 27, 2010 through the present. LGI has had the fictitious business names of "Laurus Mortgage" and "Laurus Realty" from on or about January 23, 2006 through the present and "Pacific Park Financial Associates" and "Pacific View Realtors" from on or about May 19, 2009 through the present.

b. MEHTA is presently licensed and/or issued by the Department of Real Estate as a real estate broker (license no. 01485497). MEHTA has been licensed as a real estate broker from on or about August 24, 2005 to August 23, 2009 and from on or about October 19, 2009 through the present. MEHTA was the designated officer of LGI at any and all times that LGI has been licensed with the Department of Real Estate from January 2006 through the present.

4.

Whenever acts referred to below are attributed to LGI and/or MEHTA, those acts are alleged to have been done by LGI and/or MEHTA, acting by itself/himself/themselves, or by and/or through one or more employees, agents, associates, affiliates, and/or co-conspirators.

5.

At all times mentioned below, in the County of Orange, LGI and MEHTA were engaged in the business of a real estate broker conducting licensed activities within the meaning of Code sections 10131(b) ("[l]eases or rents or offers to lease or rent, or places for

1 rent, or solicits listings of places for rent, or solicits for prospective tenants, or negotiates the
2 sale, purchase, or exchanges of leases on real property, or on a business opportunity, or collects
3 rents from real property, or improvements thereon, or from business opportunities”) and
4 10131(d) (“[s]olicits borrowers or lenders for or negotiates loans or collects payments or
5 performs services for borrowers or lenders or note owners in connection with loans secured
6 directly or collaterally by liens on real property or on a business opportunity”).

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8 **(FAILURE TO RETAIN AND PRODUCE RECORDS)**

9 **6.**

10 From on or about August 4, 2020 through the present, the Department of Real
11 Estate attempted to audit the books and records of LGI to determine whether LGI and MEHTA
12 handled and accounted for trust funds and conducted their real estate activities in accordance
13 with the Real Estate Law and Regulations. However, as more fully discussed in Audit Reports
14 LA200017/LA200018, LGI and MEHTA failed to provide proof of retention of bank
15 statements, trust records, and any and all other documents connected to transactions for which a
16 real estate broker license is required, in violation of Code section 10148. These documents
17 include, but are limited to, bank records from Wells Fargo Bank.

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19 **(FAILURE TO SUPERVISE)**

20 **7.**

21 The overall conduct of MEHTA constitutes a failure on MEHTA’s part, as
22 officer designated by a corporate broker licensee, to exercise the reasonable supervision and
23 control over the licensed activities of LGI as required by Code section 10159.2 and Regulations
24 section 2725, and to keep LGI in compliance with the Real Estate Law, and is cause for
25 discipline of the real estate license and real estate license rights of MEHTA pursuant to the
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1 Code sections 10177(d) (willful disregard or violation of Real Estate Law) and 10177(h)
2 (failure to exercise reasonable supervision).

3
4 (COSTS)

5 8.

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

11 9.

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

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