



The right to reinstatement of a revoked real estate license or to the reduction of a penalty is controlled by Section 11522 of the Government Code. A copy of Sections 11521 and 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

This Decision shall become effective at 12 o'clock noon on 11/02/2022

IT IS SO ORDERED 10.4.22

DOUGLAS R. McCAULEY  
REAL ESTATE COMMISSIONER

Douglas R. McCauley

**BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA**

**In the Matter of the Accusation Against:**

**LAURUS GROUP, INC., and SUNIL KIRIT MEHTA, individually  
and as designated officer of Laurus Group, Inc.**

**Respondents.**

**Agency Case No. H-42137 LA**

**OAH No. 2022050795**

**PROPOSED DECISION**

Chris Ruiz, Administrative Law Judge, Office of Administrative Hearings (OAH), State of California, heard this matter by videoconference on August 11, 2022.

Diane Lee, Real Estate Counsel, represented Maria Suarez (complainant), a Supervising Special Investigator of the State of California.

Laurus Group Inc. (Laurus) and Sunil Kirit Mehta (Mehta) (collectively, respondents) were not present, or represented, at the hearing.

Oral testimony and documents were received as evidence. The record closed and the matter was submitted for decision on August 11, 2022.

## **FACTUAL FINDINGS**

### **Jurisdictional Matters**

1. In January 2006, the Department of Real Estate (Department or DRE) issued real estate corporation license number C/01521569 to Laurus. The license was active from January 23, 2006, through January 22, 2010, and from April 27, 2010, through April 26, 2022, when the license was scheduled to expire, unless renewed. The record is unclear as to whether the license was renewed.

2. Laurus used the fictitious business names of "Laurus Mortgage" and "Laurus Realty" between January 23, 2006, and the present. Laurus also used the fictitious business name "Pacific Park Financial Associates" and "Pacific View Realtors" between May 19, 2009, and the present.

3. On August 24, 2005, the Department issued real estate broker license number B/01485497 to Mehta. The license was active between August 4, 2005, and August 23, 2009, and from October 19, 2009, and October 19, 2021, when it expired. The record is unclear if Mehta renewed the expired license.

4. The Department retains jurisdiction to impose discipline on Laurus' or Mehta's licenses, even if they are expired, under Business and Professions Code (Code) section 118.

5. Mehta has always been a designated officer of Laurus while it has held a corporation license.

6. On November 15, 2021, complainant filed the Accusation in her official capacity.

7. On April 21, 2022, the Real Estate Commissioner issued an Order Granting Reconsideration of a February 25, 2022 Order and a March 2, 2022 Decision. The Order and Decision referenced by the Order Granting Reconsideration are not part of the record. However, a plain reading of the Order of Reconsideration reveals that respondents filed a Petition for Reconsideration after an Order of Default, and a subsequent Decision, were issued. All of the above actions occurred after respondents failed to appear at a properly noticed administrative hearing. DRE counsel confirmed that respondents previously failed to appear at an administrative hearing.

8. On April 29, 2022, Robert F. Hahn, Attorney at Law, Law Offices of Gould, Hahn, and Reinhardt, began representing respondents.

9. On April 29, 2022, respondents filed a Notice of Defense, which requested a hearing on the allegations stated in the Accusation.

10. On May 12, 2022, Robert F. Hahn, Esquire, withdrew from representing respondents.

11. The Department has jurisdiction over expired licenses, pursuant to Code section 10103, as fully set forth in Legal Conclusion 1.

12. All jurisdictional requirements have been met.

### **Laurus' Business**

13. All references to regulations are to Title 10 of the Code of Regulations (Regulations).

14. Laurus and Mehta were engaged in the business of a real estate broker in the County of Orange. They conducted licensed activities within the meaning of Code

section 10131, subdivision (b), in leasing, renting, or selling real estate, and Code section 10131, subdivision (d), in negotiating loans for borrowers or lenders.

### **Failure to Retain and Produce Records**

15. On August 4, 2020, Department personnel began attempting to audit the books and records of Laurus to determine whether Laurus and Mehta properly handled and accounted for trust funds and how they conducted their real estate activities. As described in Audit Reports LA200017/LA200018 (Exhibit 5), Laurus and Mehta failed to provide proof of retention of bank statements, trust records, and all other documents connected to transactions for which a real estate broker license is required. Respondents' conduct violated Code section 10148.

16. Department special investigator David Huang and Department auditor Mandeep Sidhu both made attempts to contact respondents to obtain the necessary records for audit. Huang requested that respondents provide various documents, but respondents failed to produce any documents and were generally unresponsive.

### **Failure to supervise**

17. Mehta's failure to respond to Department inquiries constitutes a failure, as the designated officer of Laurus, to exercise the reasonable supervision and control over the licensed activities of Laurus as required by Code section 10159.2 and Regulation section 2725, and to keep Laurus in compliance with the Department's regulations.

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## **Other Findings**

18. Respondents have failed to appear at two properly noticed administrative hearings.

19. Code section 10106 provides, in pertinent part, that the Real Estate Commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of investigation and enforcement of the case.

20. The reasonable cost of investigation is \$911.75, and the reasonable cost of enforcement is \$1,200.00 (Exhibit 9).

21. The reasonable cost of the audit is \$4,818.00 (Exhibit 10).

## **LEGAL CONCLUSIONS**

1. Code section 10103 states, in pertinent part, the lapsing or suspension of a license by operation of law does not deprive the Department of jurisdiction to proceed with any disciplinary proceeding against such licensee, or to render a decision suspending or revoking the license.

2. Cause exists to suspend or revoke Laurus' real estate corporation license for violating Code section 10148.

3. Cause exists to suspend or revoke Mehta's real estate broker license for violating Code sections 10148, 10159.2, and 10177, subdivisions (d), and (h), and Regulation section 2725.

4. The reasonable cost of investigation is \$911.75.
5. The reasonable cost of enforcement is \$1,200.
6. Code section 10148, subdivision (b), provides, in pertinent part, that the Commissioner shall charge a real estate broker for the cost of an audit if a broker has violated Code section 10145, or a regulation or rule interpreting said section, which Mehta did by violating Code section 10148.
7. The reasonable cost of the audit is \$4,818.00.

### **ORDER**

1. Real estate corporation license number C/01521569, issued to Laurus Group Inc. is revoked.

2. Real estate broker license number B/01485497, issued to Sunil Kirit Mehta, is revoked.

3. Respondent Laurus Group, Inc. and Sunil Kirit Mehta are, individually and jointly, ordered to pay total costs, in the sum of \$2,111.75, to the Real Estate Commissioner within 60 days from the effective date of this decision.

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4. Respondent Sunil Kirit Mehta is ordered to pay the audit costs, in the sum of \$4,818.00, to the Real Estate Commissioner before Sunil Kirit Mehta applies for any new license or attempts to reinstate his real estate broker's license.

DATE: **08/31/2022**

  
Christopher Ruiz (Aug 31, 2022 15:54 PDT)

CHRIS RUIZ  
Administrative Law Judge  
Office of Administrative Hearings