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DEPT. OF REAL ESTATE

By *[Signature]*

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8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation against
12 URIVE REAL ESTATE GROUP, INC.;;
13 JANET CISNEROS, individually and as
14 designated officer for Urive Real Estate Group,
Inc.; and
15 DEREK DEVILLE, individually and as
16 designated officer for Urive Real Estate Group,
Inc.,
17 Respondents.

DRE No. H-42393 LA
ACCUSATION

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19 The Complainant, Ruth Corral, a Supervising Special Investigator for the Department of
20 Real Estate¹ (“Department”) of the State of California, for cause of Accusation against URIVE
21 REAL ESTATE GROUP, INC.; JANET CISNEROS, individually and as designated officer for
22 Urive Real Estate Group, Inc.; and DEREK DEVILLE, individually and as designated officer for
23 Urive Real Estate Group, Inc.; (collectively “Respondents”), alleges as follows:

24 ¹ Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate under the Department of Consumer Affairs.

1 1. The Complainant, Ruth Corral, acting in her official capacity as a Supervising
2 Special Investigator, makes this Accusation against Respondents.

3 2. All references to the “Code” are to the California Business and Professions Code,
4 all references to the “Real Estate Law” are to Part 1 of Division 4 of the Code, and all references
5 to “Regulations” are to the Regulations of the Real Estate Commissioner, Title 10, Chapter 6,
6 California Code of Regulations.

7 3. Respondents are presently licensed and/or have license rights under the Real
8 Estate Law (Part 1 of Division 4 of the Code).

9 4. On September 29, 2014, the Department issued a real estate corporation license to
10 Respondent URIVE REAL ESTATE GROUP, INC. (“URIVE”), License ID 01963125. Unless
11 renewed, Respondent URIVE’s license is scheduled to expire on September 28, 2026.
12 Respondent has renewal rights pursuant to Code section 10201. The Department retains
13 jurisdiction pursuant to Code section 10103.

14 5. On June 19, 2012, the Department issued a real estate broker license to
15 Respondent JANET CISNEROS (“CISNEROS”), License ID 01821908. Unless renewed,
16 Respondent CISNEROS’s broker license is scheduled to expire on June 18, 2024. Respondent
17 has renewal rights pursuant to Code section 10201. The Department retains jurisdiction pursuant
18 to Code section 10103.

19 6. Respondent CISNEROS was licensed as a real estate salesperson from October 4,
20 2007 through June 18, 2012.

21 7. Respondent CISNEROS is currently licensed as an Officer for URIVE.

22 8. On March 17, 2017, the Department issued a real estate broker license to
23 Respondent DEREK DEVILLE (“DEVILLE”), License ID 01701497. Unless renewed,
24 Respondent DEVILLE’s broker license is scheduled to expire on March 16, 2025. Respondent

1 has renewal rights pursuant to Code section 10201. The Department retains jurisdiction pursuant
2 to Code section 10103.

3 9. Respondent DEVILLE was licensed as a real estate salesperson from July 23
4 2005 through March 16, 2017.

5 10. Respondent DEVILLE is also currently licensed as an Officer for URIVE.

6 11. At all times herein mentioned, Respondent URIVE was and now is licensed as a
7 corporate real estate broker by and through Respondents CISNEROS and DEVILLE, as
8 designated officers of Respondent URIVE to qualify said corporation and to act for said
9 corporation as a real estate broker.

10 12. During all times relevant herein, Respondents CISNEROS and DEVILLE have
11 been the designated officers for Respondent URIVE pursuant to Code section 10211. As the
12 designated officers for URIVE, Respondents CISNEROS and DEVILLE are responsible for the
13 supervision and control of the activities conducted on behalf of URIVE by its officers, agents,
14 real estate licensees, and employees, as necessary to secure full compliance with the provisions
15 of the Real Estate Law, pursuant to Code section 10159.2.

16 13. Whenever reference is made in an allegation in this Accusation to an act or
17 omission of Respondent URIVE, such allegation shall be deemed to mean that the officers,
18 directors, employees, agents and/or real estate licensees employed by or associated with
19 Respondent URIVE, committed such act or omission while engaged in the furtherance of the
20 business or operations of such corporate respondent and while acting within the course and
21 scope of their authority and employment.

22 14. At all times relevant herein, in the State of California, Respondent URIVE
23 engaged in activities that require a real estate broker license within the meaning of Code section
24 10131, subdivision (a). Respondent URIVE's activities included soliciting sellers and buyers for

1 the listing, sale and purchase of real property, negotiating the purchase and sale of real property
2 on behalf of buyers and sellers, including negotiating short sales of real property on behalf of
3 buyers and sellers, for compensation or in expectation of compensation.

4 15. At all times relevant herein, in the State of California, Respondent URIVE also
5 conducted broker-controlled escrows activities. The broker escrows were presumably conducted
6 under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate
7 brokers performing escrows incidental to a real estate transaction where the broker is an agent or
8 a party to the transaction and in which the broker is performing acts for which a real estate
9 license is required.

10 Cause of Accusation

11 Audit LA210077

12 16. On or about April 27, 2022, the Department completed an audit examination of
13 the books and records of Respondent URIVE's real estate activities to determine whether
14 URIVE handled and accounted for trust funds and performed real estate activities in compliance
15 with the Code and Regulations.

16 17. The audit examination covered the period from January 1, 2020 to February 28,
17 2022 ("audit period"). The audit was limited to URIVE's broker escrow activities.

18 18. Respondent URIVE is licensed to do business as "Imperium Escrow A Non
19 Independent Broker Escrow" and "Realty One Group Empire."

20 19. The audit examination revealed violations of the Code and the Regulations as set
21 forth in the following paragraphs, and more fully discussed in Audit Report LA210077 and the
22 exhibits and work papers attached to said audit report.

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1 20. According to Respondents, CISNEROS and DEVILLE are each 50% owners and
2 shareholders of URIVE. During the audit period, Respondent URIVE closed approximately 499
3 escrow transactions and collected escrow trust funds in excess of \$125,000,000.00.

4 21. As of April 21, 2022, URIVE had seven broker associates and 166 salespersons
5 affiliated with URIVE, as their licensed broker.

6 22. According to CISNEROS and reviewed documents, URIVE performs residential
7 real estate sales activities representing both buyers and sellers. In 2020, URIVE closed
8 approximately 1,150 real estate sales transactions. In 2021, URIVE closed approximately 1,473
9 real estate sales transactions. A sales audit examination was not performed.

10 23. According to Respondents, URIVE maintained the following trust account to hold
11 and collect trust funds for multiple beneficiaries to hold and/or collect escrow trust funds for its
12 broker escrow activities during the audit period:

13 Trust Account 1 (TA1)

14 Bank: Citizens Bank

15 Account #: xxxx6271

16 Account Name: Urive Real Estate Group, Inc. DBA Imperium Escrow A Non
17 Independent Broker Escrow ESCROW TRUST ACCOUNT

18 Signatories: CISNEROS and DEVILLE

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Violations

24. In the course of its broker escrow activities during the audit period, Respondents acted in violation of the Code and the Regulations as follows:

Issue 1. Regulations 2832.1, 2950(g), 2951, and Code section 10145. Trust fund handling for multiple beneficiaries/When broker handles escrow.

25. A bank reconciliation for TA1 was prepared with the audit cutoff date of February 28, 2022. The adjusted bank balance was compared to the total balance of the separate beneficiary records (accountability).

26. As of February 28, 2022, TA1 had a minimum trust fund shortage of <\$6,730.84>. The shortage was due to negative escrow balances of <\$3,220.00>, an unauthorized disbursement in the amount of <\$2,727.48>, and an unidentified shortage in the amount of <\$783.36>.

27. The following escrow transactions had negative balances:

| <u>Escrow #</u> | <u>Buyer</u> | <u>Date Closed</u> | <u>Amount</u> |
|-----------------|-------------------|--------------------|---------------|
| 7112-TJ | M.W. ² | 05/19/2020 | <\$399.00> |
| 7215-TJ | J.G. | 06/02/2020 | <2,726.00> |
| 7321-TJ | R.C. | 06/30/2020 | <95.00> |

28. Respondents failed to provide any evidence that the owners of the trust funds in TA1 had given their written consent to allow URIVE to reduce the balance of the funds in TA1 to an amount less than the existing aggregate trust fund liabilities, in violation of Regulations 2832.1, 2950(g), 2951 and Code section 10145.

² Initials are used in place of individuals' full names to protect their privacy. Documents containing individuals' full names will be provided during the discovery phase of this case to Respondent(s) and/or their attorneys, after service of a timely and proper request for discovery on Complainant's counsel.

1 29. In April of 2022, Respondents deposited funds into TA1 to cure the trust fund
2 shortage of <\$6,730.84> in TA 1 as of February 28, 2022.

3 Issue 2. Regulations 2831, 2950(d), 2951, and Code section 10145. Trust fund records to be
4 maintained/When broker handles escrow.

5 30. During the audit period, Respondent URIVE failed to maintain accurate and/or
6 complete record of all trust funds received and disbursed (control record) from TA1 for broker
7 escrow activities, in violation of Regulation 2381, 2950(d), 2951, and Code section 10145. Trust
8 funds received and deposited into TA1 were not recorded in the control record maintained for
9 TA1, therefore TA1's control record did not have an accurate daily balance of trust funds as of
10 February 28, 2022.

11 31. The following are examples of trust funds not recorded in TA1's control record:

| Escrow # | Dated closed | Amount per TA1 bank statement | TA1 Date Deposited | Control record, Amount recorded |
|----------|--------------|-------------------------------|--------------------|---------------------------------|
| 8315-TJ | 12/31/2021 | \$12.66 | 02/22/2022 | Not recorded |
| 8315-TJ | 12/31/2021 | \$449.82 | 02/23/2022 | Not recorded |
| 8230-TJ | 10/25/2021 | \$146.91 | 11/16/2021 | Not recorded |
| | | Total: | \$609.39 | |

17 Issue 3. Regulations 2831.1, 2950(d), 2951, and Code section 10145. Separate records for each
18 beneficiary or transaction/When broker handles escrow.

19 32. During the audit period, Respondent URIVE failed to maintain accurate and/or
20 complete separate records for each beneficiary or transaction for TA1, in violation of
21 Regulations 2831.1, 2950(d), 2951, and Code section 10145. The separate records had inaccurate
22 recordings of amounts disbursed resulting in an inaccurate daily balance.

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1 33. The inaccurate recordings of amounts disbursed include the following examples:

| 2 Escrow # | 3 Date closed | 4 Amount disbursed from TA1 | 5 Amount recorded in separate record | 6 Recorded Ending Balance | 7 Correct Ending Balance |
|------------|---------------|-----------------------------------|---|---------------------------------|--------------------------------|
| 8 7112-TJ1 | 09/01/2021 | \$8,250.00 | \$7,851.00 | \$0.00 | <\$399.00> |
| 9 7321-TJ | 06/30/2020 | \$95.00 | Not recorded | \$0.00 | <\$95.00> |
| 10 7215-TJ | 06/02/2020 | \$4572.00 | \$1,846.00 | \$0.00 | <\$2,726.00> |

11 Issue 4. Regulations 2831.2, 2950(d), 2951, and Code section 10145. Trust account
12 reconciliation/When broker handles escrow.

13 34. During the audit period, URIVE failed to maintain complete and accurate monthly
14 reconciliations comparing the balance of all separate beneficiary or transaction records (separate
15 records) to the balance of all trust funds received and disbursed (control record) for TA 1, in
16 violation of Regulations 2831.2, 2950(d), 2951, and Code section 10145.

17 35. The conduct of Respondent URIVE as described above in Issues One through
18 Four, Paragraphs 25 through 34, violated the Code and the Regulations as set forth below:

| 19 Issue | 20 Paragraph(s) | 21 Violations |
|----------|-----------------|---|
| 22 1 | 25-29 | Regulation 2832.1, 2950(g), 2951, and Code section 10145 |
| 23 2 | 30-31 | Regulation 2831, 2950(d), 2951, and Code section 10145 |
| 24 3 | 32-33 | Regulation 2831.1, 2950(d), 2951, and Code section 10145 |
| | 34 | Regulations 2831.2, 2950(d), 2951, and Code section 10145 |

25 36. The foregoing violations, as described above in Issues One through Four,
26 Paragraphs 25 through 34, constitute cause for the suspension or revocation of the real estate
27 licenses and license rights of Respondent URIVE pursuant to the provisions of Code section
28 10177, subdivisions (d) and/or (g).

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1 Respondents CISNEROS and DEVILLE– Officer - Broker Supervision

2 Code sections 10159.2, 10177(h), and Regulation 2725. Broker supervision.

3 37. The conduct, acts and/or omissions of Respondents CISNEROS and DEVILLE
4 constitutes a failure to exercise the supervision and control over the activities of URIVE to
5 ensure compliance with the Real Estate Law and Regulations, as required by Code section
6 10159.2 and Regulation 2725. Said conduct, acts, or omissions constitute cause to suspend or
7 revoke the real estate licenses and license rights of Respondents CISNEROS and DEVILLE
8 pursuant to Code section 10177, subdivisions (h), (d), and/or (g).

9 Audit Costs

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

14 Investigation/Enforcement Costs

15 39. 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 violation
18 of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement
19 of the case.

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