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OCT 11 2023  
DEPT. OF REAL ESTATE  
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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-42627 LA  
12 )  
13 GARGRO REAL ESTATE, INC.; )  
14 )  
15 CAROLYN OLIVIA TREADWAY, )  
16 individually and as designated officer of ) A C C U S A T I O N  
17 Gargro Real Estate, Inc.; and )  
18 )  
19 ANTHONY ROBERT PEREZ, )  
20 individually and as former designated officer )  
21 of Gargro Real Estate, Inc., )  
22 )  
23 Respondents. )  
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20 The Complainant, Ruth Corral, a Supervising Special Investigator of the State of  
21 California, acting in her official capacity, for cause of Accusation against GARGRO REAL  
22 ESTATE, INC. ("GREI"), CAROLYN OLIVIA TREADWAY ("TREADWAY"), individually  
23 and as designated officer of Gargro Real Estate, Inc., and ANTHONY ROBERT PEREZ  
24 ("PEREZ"), individually and as former designated officer of Gargro Real Estate, Inc., is  
25 informed and alleges as follows:

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1.

The Complainant, Ruth Corral, acting in her official capacity as Supervising Special Investigator of the State of California, makes this Accusation.

2.

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.

(License History: GREI, TREADWAY, and PEREZ)

3.

a. GREI is presently licensed by the Department Real Estate as a real estate corporation (license no. 01834929). GREI was so licensed from on or about February 14, 2008 to February 13, 2012 and from or about April 11, 2012 through the present. GREI’s fictitious business names have been “RE/MAX College Park Realty” from on or about April 16, 2008 to May 6, 2015 and from on or about May 15, 2015 through the present, “University Escrow, a Non-Independent Broker Escrow” from on or about February 17, 2009 to May 6, 2015 and from on or about May 15, 2015 through the present, and “Frontdoor Escrow, a Non-Independent Broker Escrow” from on or about February 22, 2021 through the present. From on or about September 21, 2021 through the present, GREI’s designated officer has been TREADWAY. From on or about April 11, 2020 to March 24, 2023, GREI’s designated officer was PEREZ.

b. TREADWAY is presently licensed and/or issued by the Department of Real Estate as a real estate broker (license no. 00859336). TREADWAY was originally licensed as a real estate broker on or about February 1, 1996, and has been so licensed since then. Prior to being a broker, TREADWAY was licensed as a salesperson. At no time has TREADWAY had a fictitious business name registered with the Department of Real Estate. TREADWAY was

1 GREI's designated officer from on or about September 21, 2021 through the present.  
2 TREADWAY is also the designated officer of College Park Realty, Inc. (license no.  
3 01030870), College Park LA, Inc. (license no. 01778592), and LTO & Associates, Inc. (license  
4 no. 01860673).

5 c. PEREZ is presently licensed and/or issued by the Department of Real  
6 Estate as a real estate broker (license no. 00702837). PEREZ was originally licensed as a real  
7 estate broker on or about April 15, 1988 and April 14, 1992 and from on or about May 7, 1992  
8 through the present. Prior to being a broker, PEREZ was licensed as a salesperson. At no time  
9 has TREADWAY had a fictitious business name registered with the Department of Real Estate.  
10 PEREZ was GREI's designated officer from on or about April 11, 2020 to March 24, 2023.

11 4.

12 Whenever acts referred to below are attributed to GREI, TREADWAY, and/or  
13 PEREZ, those acts are alleged to have been done by GREI, TREADWAY, and/or PEREZ,  
14 acting by itself/herself/himself/themselves, or by and/or through one or more agents, associates,  
15 affiliates, and/or co-conspirators.

16 5.

17 At all times mentioned, in the County of Orange, GREI, TREADWAY, and  
18 PEREZ were engaged in the business of a real estate broker conducting licensed activities  
19 within the meaning of Code sections 10131(a) (“[s]ells or offers to sell, buys or offers to buy,  
20 solicits prospective sellers or buyers of, solicits or obtains listings of, or negotiates the  
21 purchase, sale, or exchange of real property or a business opportunity”) and 10131(b) (“[l]eases  
22 or rents or offers to lease or rent, or places for rent, or solicits listings of places for rent, or  
23 solicits for prospective tenants, or negotiates the sale, purchase, or exchanges of leases on real  
24 property, or on a business opportunity, or collects rents from real property, or improvements  
25 thereon, or from business opportunities”).

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(Sales and Broker Escrow Audit)

6.

On or about June 29, 2022, the Department of Real Estate completed an audit examination of the books and records of GREI to determine whether GREI, TREADWAY, and PEREZ handled and accounted for trust funds and conducted their real estate activities in accordance with the Real Estate Law and Regulations. The audit examination covered a period of time beginning on July 1, 2020 and ending on February 28, 2022. The audit examination revealed violations of the Code and the Regulations set forth in the following paragraphs, and more fully discussed in Audit Report LA210107 and the exhibits and work papers attached to said audit report.

Bank Accounts

7.

At all times mentioned, in connection with the activities described in Paragraph 5, above, GREI, TREADWAY, and PEREZ accepted or received funds including funds in trust (“trust funds”) from or on behalf of actual or prospective parties, such as owners of real property, and thereafter made deposits and/or disbursements of such funds. From time to time herein mentioned, during the audit period, said trust funds were deposited and/or maintained by GREI, TREADWAY, and PEREZ in the following bank accounts:

\*\*\*\*\*3824

Pacific Premier Bank  
19011 Magnolia Blvd., Ste. 103  
Huntington Beach, CA 92646 TA 1  
(TREADWAY from September 21, 2021 through the present)  
(PEREZ from April 16, 2020 to September 20, 2021)

\*\*\*\*\*0615

Pacific Premier Bank  
19011 Magnolia Blvd., Ste. 103  
Huntington Beach, CA 92646 TA 2  
(TREADWAY from September 21, 2021 through the present)  
(PEREZ from April 16, 2020 to September 20, 2021)

1 8.

2 In the course of activities described in Paragraphs 5 and 7, above, and during the  
3 audit examination period in Paragraph 6, above, Respondents GREI, TREADWAY, and  
4 PEREZ acted in violation of the Code and the Regulations as set forth below:

5 (a)(1) GREI and TREADWAY permitted, allowed, or caused the disbursement  
6 of trust funds from the trust accounts TA 1 and TA 2 where the disbursement of funds reduced  
7 the total of aggregate funds in TA 1 and TA 2, to an amount which, on February 28, 2022, was  
8 a minimum shortage of \$2,364.39 without first obtaining the prior written consent of the  
9 owners of said funds, in violation of Code section 10145 and Regulations sections 2832.1,  
10 2950(g), and 2951. On or about June 23, 2022, this shortage was cured.

11 (a)(2) GREI and PEREZ permitted, allowed, or caused the disbursement of trust  
12 funds from the trust accounts TA 1 and TA 2 where the disbursement of funds reduced the total  
13 of aggregate funds in TA 1 and TA 2, to an amount which, on September 20, 2021, was a  
14 minimum shortage of \$1,771.46 without first obtaining the prior written consent of the owners  
15 of said funds, in violation of Code section 10145 and Regulations sections 2832.1, 2950(g), and  
16 2951.

17 (b)(1) GREI and TREADWAY closed approximately eighty eight (88) escrows  
18 with an aggregate total of approximately \$66,691,076.88 from January 1, 2021 to December  
19 31, 2021, but failed to submit an escrow activity report (RE 890) within sixty (60) days after  
20 the end of the 2021 calendar year, in violation of Code section 10141.6.

21 (b)(2) GREI and PEREZ closed approximately thirty one (31) escrows with an  
22 aggregate total of approximately \$17,626,999.00 from January 1, 2020 to December 31, 2020,  
23 but failed to submit an escrow activity report (RE 890) within sixty (60) days after the end of  
24 the 2021 calendar year, in violation of Code section 10141.6.

25 (c)(1) From on or about September 21, 2021 through the present, GREI and  
26 TREADWAY performed broker escrow for real estate loan transactions without being a party  
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1 to the transaction, in violation of Code section 10086(a) and California Financial Code section  
2 17006(a)(4).

3 (c)(2) From on or about April 16, 2021 to September 20, 2021, GREI and  
4 PEREZ performed broker escrow for real estate loan transactions without being a party to the  
5 transaction, in violation of Code section 10086(a) and California Financial Code section  
6 17006(a)(4).

7 (d)(1) From at least September 21, 2021 through the present, GREI and  
8 TREADWAY permitted Barry Charles Binder<sup>1</sup> and Justin D. Smith, both unlicensed and  
9 unbonded persons, to be authorized signatories for TA 1 and TA 2, in violation of Code section  
10 10145 and Regulations sections 2834 and 2951.

11 (d)(2) From on or about April 16, 2021 to September 20, 2021, GREI and  
12 PEREZ permitted Barry Charles Binder and Justin D. Smith, both unlicensed and unbonded  
13 persons, to be authorized signatories for TA 1 and TA 2, in violation of Code section 10145  
14 and Regulations sections 2834 and 2951.

15 (e)(1) From on or about September 21, 2021 through the present, GREI and  
16 TREADWAY failed to maintain an accurate and complete columnar record of all trust funds  
17 received and disbursed (control record) for TA 1 and TA 2, in violation of Code section 10145  
18 and Regulations sections 2831, 2950(d), and 2951. For example, trust funds received and  
19 deposited into TA 1 and TA 2 were not recorded in the combined control record maintained for  
20 TA 1 and TA 2.

21 (e)(1) From on or about April 16, 2021 to September 20, 2021, GREI and  
22 PEREZ failed to maintain an accurate and complete columnar record of all trust funds received  
23 and disbursed (control record) for TA 1 and TA 2, in violation of Code section 10145 and  
24 Regulations sections 2831, 2950(d), and 2951. For example, trust funds received and deposited

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27 <sup>1</sup> Barry Charles Binder was licensed as a real estate broker (license no. 00457952) from on or  
about July 21, 1986 to July 20, 2006.

1 into TA 1 and TA 2 were not recorded in the combined control record maintained for TA 1 and  
2 TA 2.

3 (f)(1) From on or about September 21, 2021 through the present, GREI and  
4 TREADWAY failed to maintain an accurate and complete separate record for each beneficiary  
5 or transaction, thereby failing to account for all trust funds received, deposited, and disbursed  
6 from TA 1 and TA 2, in violation of Code section 10145 and Regulation sections 2831.1,  
7 2950(d), and 2951.

8 (f)(2) From on or about April 16, 2021 to September 20, 2021, GREI and  
9 PEREZ failed to maintain an accurate and complete separate record for each beneficiary or  
10 transaction, thereby failing to account for all trust funds received, deposited, and disbursed  
11 from TA 1 and TA 2, in violation of Code section 10145 and Regulation sections 2831.1,  
12 2950(d), and 2951.

13 (g)(1) From on or about September 21, 2021 through the present, GREI and  
14 TREADWAY failed to maintain an accurate monthly reconciliation comparing the balance of  
15 all separate beneficiary or transaction records (separate records) to the balance of the record of  
16 all trust funds received and disbursed (control record) by TA 1 and TA 2, in violation of Code  
17 section 10145 and Regulation sections 2831.2, 2950(d), and 2951.

18 (g)(2) From on or about April 16, 2021 to September 20, 2021, GREI and  
19 PEREZ failed to maintain an accurate monthly reconciliation comparing the balance of all  
20 separate beneficiary or transaction records (separate records) to the balance of the record of all  
21 trust funds received and disbursed (control record) by TA 1 and TA 2, in violation of Code  
22 section 10145 and Regulation sections 2831.2, 2950(d), and 2951.

23 (h)(1) From on or about September 21, 2021 through the present, GREI and  
24 TREADWAY failed to disclose in writing to the owners of the trust funds of earning credit  
25 GREI received from escrow trust funds available in TA 1 and TA 2 to offset bank fees, in  
26 violation of Code sections 10145 and 10176(g) and Regulations section 2830.

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1 (h)(2) From on or about April 16, 2021 to September 20, 2021, GREI and  
2 PEREZ failed to disclose in writing to the owners of the trust funds of earning credit GREI  
3 received from escrow trust funds available in TA 1 and TA 2 to offset bank fees, in violation of  
4 Code sections 10145 and 10176(g) and Regulations section 2830.

5 (i)(1) From on or about September 21, 2021 through the present, GREI and  
6 TREADWAY failed to disclose in writing to all parties that GREI had an interest as a  
7 stockholder, officer, partner, or owner of the agency holding the escrow, in violation of  
8 Regulations section 2950(h).

9 (i)(2) From on or about April 16, 2021 to September 20, 2021, GREI and  
10 PEREZ failed to disclose in writing to all parties that GREI had an interest as a stockholder,  
11 officer, partner, or owner of the agency holding the escrow, in violation of Regulations section  
12 2950(h).

13 (j)(1) From on or about September 21, 2021 through the present, the overall  
14 conduct of Respondent GREI constitutes a failure on Respondent TREADWAY's part, as  
15 officer designated by a corporate broker licensee, to exercise the reasonable supervision and  
16 control over the licensed activities of GREI as required by Code section 10159.2 and  
17 Regulations section 2725.

18 (j)(2) From on or about April 16, 2021 to September 20, 2021, the overall  
19 conduct of Respondent GREI constitutes a failure on Respondent PEREZ's part, as officer  
20 designated by a corporate broker licensee, to exercise the reasonable supervision and control  
21 over the licensed activities of GREI as required by Code section 10159.2 and Regulations  
22 section 2725.

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1 9.

2 The conduct of Respondents GREI, TREADWAY, and PEREZ described in  
3 Paragraph 8, above, violated the Code and the Regulations as set forth below:

4 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
5 8(a)	Code section 10145 and Regulations sections 2832.1, 2950(g), and 2951
6 8(b)	Code section 10141.6
7 8(c)	Code section 10086(a) and California Financial Code section 8 17006(a)(4)
9 8(d)	Code section 10145 and Regulations sections 2834 and 2951
10 8(e)	Code section 10145 and Regulations sections 2831, 2950(d), and 2951
11 8(f)	Code section 10145 and Regulation sections 2831.1, 2950(d), and 2951
12 8(g)	Code section 10145 and Regulation sections 2831.2, 2950(d), and 2951
13 8(h)	Code sections 10145 and 10176(g) and Regulations section 2830
14 8(i)	Regulations section 2950(h)
15 8(j)	Code section 10159.2 and Regulations section 2725

16 The foregoing violations constitute cause for discipline of the real estate license and license  
17 rights of Respondents GREI, TREADWAY, and PEREZ under the provisions of Code sections  
18 10177(d), 10177(g), and 10177(h).

19  
20 (COSTS)

21 10.


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

11.

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

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against the license and license rights of GARGRO REAL ESTATE, INC., CAROLYN OLIVIA TREADWAY, individually and as designated officer of Gargro Real Estate, Inc., and ANTHONY ROBERT PEREZ, individually and as former designated officer of Gargro Real Estate, Inc, under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code), for the cost of investigation and enforcement pursuant to Code section 10106 and as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law, including, but not limited to, costs of audit pursuant to Code section 10148(b).

Dated at Sacramento, California: October 9, 2023.

  
Ruth Corral  
Supervising Special Investigator

cc: Gargro Real Estate, Inc.  
Carolyn Olivia Treadway  
Anthony Robert Perez  
Ruth Corral  
Sacto  
Enforcement  
Audits – Mandeep Sidhu