

**FILED**

MAY 19 2015

BUREAU OF REAL ESTATE

By S. Black

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

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In the Matter of the Accusation of

PROPERTY BROKERAGE AND  
LOANS and JEFFREY CHARO,

Respondents.

H-4365 SD

(As to PROPERTY BROKERAGE  
AND LOANS only)

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on April 8, 2015, and the findings of fact set forth herein, which are based on one or more of the following: (1) Respondent's express admissions; (2) affidavits; and (3) other evidence.

This Decision revokes a real estate license and/or license rights on grounds of violation of Sections 10085 (advance fee materials), 10085.5 (collection of advance fees), 10145 (trust fund handling), 10176(e) (commingling), 10177(d) (willful disregard of Real Estate law), 10177(g) (negligence/incompetence), 10177(j) (fraud/dishonest dealing) and 10177(q) (violation of California Civil Code related to mortgages) of the Real Estate Law, Part 1 of Division 4 of the Business and Professions Code ("the Code"), and Sections 2742(c) (good standing requirement), 2831 (trust fund records), 2931.1 (maintenance of separate records for each beneficiary or transaction), 2831.2 (trust account reconciliation), 2835 (commingling) and 2870 (advance fee materials) Title 10 of the California Code of Regulations ("the Regulations").

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

FINDINGS OF FACT

On June 7, 2012, Veronica Kilpatrick made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to

Respondent, and Notice of Defense were mailed, by certified mail, return receipt requested, to Respondent's last known mailing address on file with the Bureau on June 11, 2012.

On April 8, 2015, no Notice of Defense having been received or filed herein within the time prescribed by Section 11506 of the Government Code, Respondent's default was entered herein.

2

Respondent is presently licensed and/or has license rights under the Code as a corporate real estate broker.

3

While acting as a corporate real estate broker, Respondent accepted or received funds in trust (trust funds) in the course of its mortgage loan activities and deposited or caused the funds to be deposited into a bank accounts maintained by Respondent. Thereafter, from time-to-time, Respondent made disbursements of said trust funds. In connection with the collection and disbursement of trust funds, Respondent failed to maintain adequate trust records resulting in an inability by the Bureau's auditor to conduct a reconciliation of the adjusted bank balance to the accountability of Respondent's Trust Account #1; failed to maintain a record of all trust funds deposited into and disbursed from Trust Account #1; allowed trust funds from Trust Account #1 to be used to pay telephone bills, car payments and American Express bills; failed to maintain a separate record for each beneficiary of Trust Account #1; failed to maintain accurate written monthly reconciliations for the balances of all of the separate records with the control records for Trust Account #1; and deposited trust funds on at least two (2) occasions into Bank Account #1, which was not designated as a trust account.

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On or about June 28, 2010, Respondent offered loan modification services to Laurie C. for her real properties located at 39 New Taunton Avenue and 288 W. Main Street, in Norton, Massachusetts. On or about July 12, 2010, Laurel C. paid \$2,800 to Respondent in advance fees for providing the loan modification services on those properties. Respondent failed to obtain loan modifications for Laurie C. and has not repaid the advance fees she paid to it. Respondent failed to submit the advance fee materials used in its property management activities to the Bureau for review and approval prior to their use.

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On or about January 28, 2010, Respondent's right to conduct business in the State of California was forfeited by the Secretary of State of the State of California. As a result, Respondent was no longer in good standing with the Secretary of State.

DETERMINATION OF ISSUES

1

Cause for disciplinary action against Respondent exists with reference to acts set for the in Paragraphs 3 through 5, above, pursuant to Sections 10085, 10085.5, 10145, 10176(e), 10177(d), 10177(g), 10177(j) and 10177(q) of the Code, and Sections 2742(c), 2831, 2931.1, 2831.2, 2835 and 2870 of the Regulations.

2

The standard of proof applied was clear and convincing proof to a reasonable certainty.

ORDER

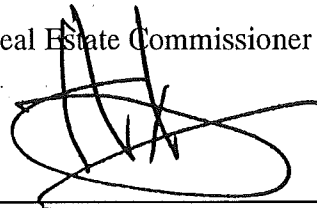
All licenses and licensing rights of Respondent PROPERTY BROKERAGE AND LOANS under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on

JUN 10 2015

DATED: APR 21 2015

Real Estate Commissioner



By: JEFFREY MASON  
Chief Deputy Commissioner

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BUREAU OF REAL ESTATE  
By S. Black

Telephone: (916) 263-8670

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

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|------------------------------------|---|----------------------|
| In the Matter of the Accusation of | ) |                      |
|                                    | ) | H-4365 SD            |
| PROPERTY BROKERAGE AND             | ) |                      |
| LOANS and JEFFREY CHARO,           | ) | <u>DEFAULT ORDER</u> |
|                                    | ) |                      |
| Respondents.                       | ) |                      |
|                                    | ) |                      |

Respondent, PROPERTY BROKERAGE AND LOANS, having failed to file a Notice of Defense within the time required by Section 11506 of the Government Code, is now in default. It is, therefore, ordered that a default be entered on the record in this matter.

IT IS SO ORDERED April 8, 2015.

Real Estate Commissioner

By: Joe M. Carrillo  
JOE M. CARRILLO  
Northern Regional Manager