

**FILED**

**APR 27 2021**

**DEPT. OF REAL ESTATE**

*@Sblw*

1 JUDITH B. VASAN, Counsel (SBN 278115)  
 2 Department of Real Estate  
 3 320 West 4th Street, Suite 350  
 4 Los Angeles, California 90013-1105  
 5 Telephone: (213) 576-6982  
 6 Direct: (213) 576-6904  
 7 Fax: (213) 576-6917  
 8 *Attorney for Complainant*

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

11 \* \* \*

12 In the Matter of the Accusation Against ) No. H-05221 SD  
 13 )  
 14 BRUCE C. ORONA, doing business as )  
 Bruce Orona Real Estate Agency; and )  
 15 SCOTT N. ORONA, )  
 Respondents. ) ACCUSATION  
 16 )

17 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
 18 State of California, for cause of Accusation against BRUCE C. ORONA, doing business as  
 19 Bruce Orona Real Estate Agency, and SCOTT N. ORONA (sometimes referred to as  
 20 "Respondents") alleges as follows:  
 21

22 1.

23 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
 24 State of California, makes this Accusation in her official capacity.

25 2.

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

3.

Respondent BRUCE C. ORONA (“BRUCE ORONA”) is presently licensed and/or has license rights under the Code as a real estate broker, Department of Real Estate (“Department”) license ID 00808479. BRUCE ORONA’s license is set to expire on July 18, 2023, unless renewed. BRUCE ORONA maintains the licensed fictitious business name “Bruce Orona Real Estate Agency” with the Department.

4.

Respondent SCOTT N. ORONA<sup>1</sup> (“SCOTT ORONA”) is presently licensed and/or has license rights under the Code as a real estate broker, Department license ID 01291192. SCOTT ORONA’s license was set to expire on June 26, 2020, however, the expiration date is extended until June 30, 2021, pursuant to Executive Order No. N-83-20. SCOTT ORONA maintains the licensed fictitious business name “Scott Orona Real Estate Agency” with the Department. BRUCE ORONA and SCOTT ORONA are brothers.

5.

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

6.

At all times mentioned, in the County of San Diego, Respondents were engaged in the business of a real estate broker conducting licensed activities within the meaning of Code section 10131(b) (“[l]eases or rents or offers to lease or rent, or places for rent, or solicits listings of places for rent, or solicits for prospective tenants, or negotiates the sale, purchase, or exchanges of leases on real property, or on a business opportunity, or collects rents from real property, or improvements thereon, or from business opportunities”).

///

---

<sup>1</sup> Scott N. Orona is a licensed attorney (license no. 129594) with the California State Bar.

1 CAUSE FOR ACCUSATION

2 (MANAGEMENT OF TENNYSON PROPERTIES)

3 7.

4 From an unknown date before June 2018 through October 2018, Respondents  
5 provided property management services for SB 32nd Street Apartments LLC, which is owned  
6 by J. Hage ("Hage"), for the properties located at 3746-3748 Tennyson Street, San Diego, CA  
7 92107 ("Properties") for compensation. The Properties generally had four (4) tenants, except  
8 for a short period when one (1) unit was vacant.

9 8.

10 From at least July 2018 through October 2018, Respondents charged and  
11 collected higher rent from the tenant at 3746 Tennyson Street ("3746 Tennyson") without  
12 Hage's knowledge. Respondents created a new rental agreement for the tenant, with a higher  
13 rent amount than the rent stated in the rental agreement he provided to Hage. Respondents  
14 instructed the tenant to make the rental payments payable to Respondent, instead of SB 32nd  
15 Street Apartments LLC. Respondents collected the higher monthly rent from the tenant, but  
16 only gave the lower rent amount to Hage.

17 9.

18 Hage received a signed Residential Lease Agreement ("RLA 1") dated June 20,  
19 2018, from Respondents for 3746 Tennyson. Per this RLA, the lease term was to begin August  
20 1, 2018, with a monthly rent amount of \$2,150.00 to be made payable to "SB 32nd St. Apts  
21 LLC," and an initial deposit of \$2,150.00. The RLA appears to be initialed by the tenant, S.D.,  
22 ("tenant") and Respondents at the bottom of each page.

23 10.

24 In or around June 2018, the tenant met with both Respondents to view the unit.  
25 The tenant received and signed a Residential Lease Agreement ("RLA 2") dated June 20, 2018,  
26 from Respondents via email. The lease term in RLA 2 was to begin on July 1, 2018, with a  
27 monthly rent amount of \$2,300.00 to be made payable to "SB 32nd St. Apts LLC," and an

1 initial deposit of \$2,300.00. In Respondents' June 20, 2018, email to the tenant, Respondents  
2 instructed the tenant to make the security deposit check to "Bruce Orona R.E. Agency."  
3 Respondents misinformed the tenant that Respondents spoke to the owner and the owner  
4 wanted all rental checks to be made out to Respondent BRUCE ORONA until further notice.

5 The tenant issued the following checks for 3746 Tennyson:

| <u>Check Number</u> | <u>Date</u> | <u>Check Amount</u> | <u>Payee</u>  | <u>Memo Line</u> |
|---------------------|-------------|---------------------|---------------|------------------|
| 1202                | 6/21/2018   | \$2,300.00          | "Bruce Orona" | "sec. deposit"   |
| 1205                | 7/1/2018    | \$2,300.00          | "Bruce Orona" | "July rent"      |
| 1209                | 8/1/2018    | \$2,300.00          | "Bruce Orona" | "Aug. rent"      |
| 1128                | 9/1/2018    | \$2,300.00          | "Bruce Orona" | "Sept Rent"      |
| 1133                | 10/1/2018   | \$2,300.00          | "Bruce Orona" | "Oct Rent"       |

11.

13 Hage received the following cashier's check disbursements from Respondents  
14 for 3746 Tennyson:

| <u>Check Number</u> | <u>Date</u> | <u>Check Amount</u> | <u>Payee</u>                        |
|---------------------|-------------|---------------------|-------------------------------------|
| 4685505459          | 7/5/2018    | \$2,150.00          | SB 32 <sup>nd</sup> Street Apts LLC |
| 4685505494          | 8/3/2018    | \$2,150.00          | SB 32 <sup>nd</sup> Street Apts LLC |
| 4685505539          | 9/4/2018    | \$2,150.00          | SB 32 <sup>nd</sup> Street Apts LLC |

20 Respondents failed to give the rent for October 2018 for 3746 Tennyson to Hage.

12.

22 Respondent BRUCE ORONA used Hage's Dixieland Lumber and Home Center  
23 credit account for his own purposes and without Hage's authorization.

24 ///

25 ///

26 ///

27 ///

1 Misrepresentation, Fraud and/or Dishonest Dealing, Taking of Secret Profit or Undisclosed  
2 Compensation

3 13.

4 The conduct and/or omissions of Respondent described above constitutes cause  
5 for discipline of the real estate license and license rights of Respondent under the provisions of  
6 Code sections 10176(a), 10176(b), 10176(g), 10177(d), 10177(g), and 10176(i)/10177(j).

7 (AUDIT OF BRUCE C. ORONA - AUDIT NO. SD180032)

8 14.

9 On or about December 20, 2019, the Department completed an audit  
10 examination of the limited records of Respondent BRUCE ORONA pertaining to the real estate  
11 activities described in Paragraph 6 above. The audit examination covered the period of time  
12 from September 1, 2016, through August 31, 2019, ("audit period"). The primary purpose of  
13 the examination was to determine Respondent BRUCE ORONA's compliance with the Real  
14 Estate Laws and the Commissioner's Regulations. The audit examination revealed violations of  
15 the Code and the Regulations as set forth in the following paragraphs, and more fully discussed  
16 in Audit No. SD180032 and the exhibits and work papers attached to said audit report.

17 Failure to Retain Records

18 15.

19 The Department auditor made several attempts to meet with Respondent  
20 BRUCE ORONA to conduct an audit of Respondent's books and records pertaining to  
21 Respondent's real estate activity. On or about September 13, 2019, the Department auditor  
22 initially spoke to Respondent by telephone and obtained limited information from Respondent  
23 verbally. On September 18, 2019, the auditor and Respondent BRUCE ORONA discussed by  
24 telephone possible dates to meet in person for the audit.

25 16.

26 On or about September 20, 2019, the auditor and Respondent BRUCE ORONA  
27 tentatively scheduled an entrance conference for October 3, 2019, but no later than October 11,

1 2019. The auditor mailed a letter to Respondent confirming the mutually agreed upon date of  
2 October 3, 2019, with a list of items to bring to the audit examination.

3 17.

4 On October 3, 2019, Respondent BRUCE ORONA met with the auditor at the  
5 Department's San Diego office for an entrance conference wherein Respondent made  
6 statements contradictory to the information Respondent provided over the telephone on  
7 September 13, 2019. In a written statement to the auditor, Respondent BRUCE ORONA denied  
8 having a trust fund account for Hage, denied managing Hage's properties, and denied  
9 performing any property management services of collecting funds for Hage since 2015.  
10 Furthermore, Respondent BRUCE ORONA failed to produce the requested documents for  
11 examination.

12 18.

13 During the October 3, 2019, entrance conference, a Department special  
14 investigator served a subpoena duces tecum on Respondent BRUCE ORONA to produce  
15 books, records, accounts, and documents for the audit period on October 21, 2019, at the San  
16 Diego office. Respondent failed to appear and produce the requested documents on October 21,  
17 2019.

18 19.

19 In response to the auditor's inquiries, on or about November 22, 2019, the  
20 auditor received a handwritten statement entitled "For Bruce Orona" dated November 18, 2019,  
21 wherein Respondent BRUCE ORONA denied managing the Properties after 2015 and denied  
22 collecting rental checks payable to Respondent.

23 20.

24 As more fully discussed in Audit No. SD180032, Respondent BRUCE ORONA  
25 failed to produce the books and records relating to his property management activities for the  
26 DRE auditor's examination, inspection, and copying in violation of Code section 10148.

27 ///

