

1 (“MIDDLETON”); JOSE SAMANO (“SAMANO”); ABE IVAN CAZAREZ (“CAZAREZ”);
2 JOSE SAMANO (“SAMANO”); CAMILO ANDRES SALDARRIAGA ARCHILA
3 (“SALDARRIAGA ARCHILA”); and CHRISTINE KFOURY (“KFOURY”) (collectively
4 “Respondents”), is informed and alleges as follows:

5 1.

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

8 2.

9 All references to the “Code” are to the California Business and Professions
10 Code, and all references to “Regulations” are to Title 10, Chapter 6, California Code of
11 Regulations, unless otherwise specified.

12
13 (RESPONDENTS’ LICENSE HISTORY)

14 3.

15 *EXP REALTY OF CALIFORNIA:*

16 A. Respondent EROCI is presently licensed and/or has license rights issued
17 by the Department of Real Estate as a real estate corporate broker (license no. 01878277).
18 EROCI was originally licensed as a corporate real estate broker on February 16, 2010. From
19 on or about February 16, 2010 to November 8, 2015, EROCI was licensed as eXp Realty of
20 Washington, Inc. EROCI currently has approximately 104 fictitious business names registered
21 with the Department of Real Estate. Each and every one of these fictitious business names
22 began on or about October 1, 2018 through August 24, 2021. EROCI currently has
23 approximately 173 branch offices. EROCI currently has approximately 787 broker associates
24 and 8,326 salespersons. From on or about December 20, 2018 to the present, PENNY has been
25 the designated officer of EROCI. EROCI’s mailing address has been in San Ramon, California
26 from on or about June 25, 2019 through the present.

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1 no. 01224842). On or about April 22, 2005, MIDDLETON was originally licensed as a real
2 estate broker, and has been so licensed since then. From on or about July 18, 1997 to April 21,
3 2005, MIDDLETON had a salesperson license. From on or about April 20, 2010 through the
4 present, MIDDLETON has had the fictitious business name of "Middleton and Associates Real
5 Estate." At no time has MIDDLETON has any other fictitious business name registered with
6 the Department of Real Estate. From on or about September 17, 2019 through the present,
7 MIDDLETON has been a broker associate with EROCI. MIDDLETON's mailing address has
8 been in La Jolla, California from on or about May 25, 2010 through the present.

9 6.

10 *JOSE SAMANO*: Respondent SAMANO is presently licensed and/or has license
11 rights issued by the Department of Real Estate as a real estate broker (license no. 01745615).
12 On or about April 5, 2011, SAMANO was originally licensed as a real estate broker, and has
13 been so licensed since then. SAMANO had a conditional salesperson license from on or about
14 June 3, 2006 to December 3, 2007, and then a salesperson license from on or about May 23,
15 2008 to June 22, 2010. At no time has SAMANO had a fictitious business name registered
16 with the Department of Real Estate. From on or about December 18, 2020 through the present,
17 SAMANO has been a broker associate of EROCI. SAMANO's mailing address has been in
18 Anaheim, California from on or about February 24, 2021 through the present; it was in Santa
19 Ana, California from on or about June 3, 2006 to February 23, 2021.

20 7.

21 *ABE IVAN CAZAREZ*: Respondent CAZAREZ is presently licensed and/or has
22 license rights issued by the Department of Real Estate as a real estate salesperson (license no.
23 01886832). CAZAREZ was originally licensed as a real estate salesperson on or about August
24 24, 2010. At no time has CAZAREZ had a fictitious business name registered with the
25 Department of Real Estate. CAZAREZ's sponsoring broker has been EROCI from October 20,
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1 2020 through the present. CAZAREZ's mailing address has been in Escondido, California
2 from August 24, 2010 through the present.

3 8.

4 *CAMILO ANDRES SALDARRIAGA ARCHILA*: Respondent SALDARRIAGA
5 ARCHILA is presently licensed and/or has license rights issued by the Department of Real
6 Estate as a real estate salesperson (license no. 02005935). SALDARRIAGA ARCHILA was
7 originally licensed as a real estate salesperson on or about September 2, 2016. At no time has
8 SALDARRIAGA ARCHILA had a fictitious business name registered with the Department of
9 Real Estate. SALDARRIAGA ARCHILA sponsoring broker has been EROCI from October 2,
10 2020 through the present. SALDARRIAGA ARCHILA's mailing address has been in San
11 Diego, California from on or about June 17, 2020 through the present.

12 9.

13 *CHRISTINE KFOURY*: Respondent KFOURY is presently licensed and/or has
14 license rights issued by the Department of Real Estate as a real estate salesperson (license no.
15 02091458). KFOURY was originally licensed as a real estate salesperson on or about July 10,
16 2019. At no time has KFOURY had a fictitious business name registered with the Department
17 of Real Estate. KFOURY's sponsoring broker has been EROCI from March 9, 2021 through
18 the present. KFOURY's mailing address has been in Santa Ana, California from on or about
19 December 16, 2019 through the present.

20
21 (RESPONDENTS' ATTRIBUTED ACTIONS)

22 10.

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

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1 (VIOLATIONS RE: DISCLOSURE, FICTITIOUS BUSINESS NAMES, ETC.)

2 16.

3 Incorporated herein are Paragraphs 3 through 15, above.

4
5 *MIDDLETON*

6 17.

7 From an unknown time to at least May 2021, MIDDLETON's website,
8 www.peteknowsrealestate.com, MIDDLETON used the unregistered fictitious business name
9 of "Pete Knows Real Estate," and failed to provide the real estate license numbers of some of
10 his team members.

11 18.

12 From at least March 2021 to today's date, MIDDLETON advertised his real
13 estate services on a large banner on the building at 2949 Garnet Ave., San Diego, CA 92109
14 visible from the 5 Freeway in a manner that violated Real Estate Law and Regulations. These
15 violations include, but are not limited to the use of the unregistered fictitious business name of
16 "Pete Knows Real Estate," not identifying the team member's name, and his real estate license
17 number was not conspicuous or prominent.

18 19.

19 On or about May 7, 2021, Corrective Actions Letters were mailed to
20 MIDDLETON and EROCI. Although some issues were corrected, to date, the banner
21 described above remains up.

22 20.

23 The conduct, acts, and/or omissions of Respondent MIDDLETON as described
24 in Paragraphs 16 to 19, above, are violations of Code sections 10140.6 (disclosure of licensed
25 status (i.e., name and license number) in advertising), 10159.5 (file fictitious business name
26 with county clerk), and 10159.6 (team name requirements), and Regulations sections 2731

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1 (shall not use unregistered fictitious business name) and 2773 (license number on solicitation
2 materials), and are cause for the suspension or revocation of all real estate licenses and license
3 rights of Respondent under the provisions of Code sections 10176(a) (substantial
4 misrepresentation), 10177(d) (willful disregard of Real Estate Law and Regulations), 10177(h)
5 (broker supervision), and 10177(g) (negligence/incompetence).

6
7 *SAMANO and KFOURY*

8 21.

9 From an unknown date to at least August 11, 2021, Respondents SAMANO and
10 KFOURY advertised on the website, pwregroup.com, and business cards that had various
11 violations of the Real Estate Law and Regulations. These violations include, but are not
12 limited to, failing to identify SAMANO and KFOURY's license numbers and employing
13 broker, EROCI, and identifying as a part of "Power Real Estate Group," which is supervised
14 and run by SAMANO, but no one on its team roster has the surname of Power and "Power Real
15 Estate Group" is not a registered fictitious business name under EROCI's license. Power Real
16 Estate Group is supervised and run by SAMANO.

17 22.

18 The conduct, acts, and/or omissions of Respondents SAMANO and KFOURY
19 as described in Paragraphs 16 and 21, above, are violations of Code sections 10140.6
20 (disclosure of licensed status), 10159.5 (file fictitious business name with county clerk), and
21 10159.7 (fictitious and team names) and Regulations sections 2731 (shall not use unregistered
22 fictitious business name) and 2773 (license number on solicitation materials), and are cause for
23 the suspension or revocation of all real estate licenses and license rights of Respondents
24 SAMANO and KFOURY under the provisions of Code sections 10176(a) (substantial
25 misrepresentation), 10177(d) (willful disregard of Real Estate Law and Regulations), and
26 10177(g) (negligence/incompetence).

1 CAZAREZ

2 23.

3 In at least June 2021, CAZAREZ advertised on his website, thetimeteam.net,
4 which has various violations of the Real Estate Law and Regulations. These violations include,
5 but are not limited to, using but failing to register the fictitious business name of “The Time
6 Team” with his current broker, EROCI, despite being employed under EROCI from on or about
7 October 20, 2020 through the present.

8 24.

9 The conduct, acts, and/or omissions of Respondent CAZAREZ as described in
10 Paragraphs 16 and 23, above, are violations of Code section 10159.5 (file fictitious business
11 name with county clerk) and Regulations section 2731 (shall not use unregistered fictitious
12 business name), and are cause for the suspension or revocation of all real estate licenses and
13 license rights of Respondent under the provisions of Code sections 10176(a) (substantial
14 misrepresentation), 10177(d) (willful disregard of Real Estate Law and Regulations), and
15 10177(g) (negligence/incompetence).

16
17 *SALDARRIAGA ARCHILA*

18 25.

19 From an unknown time to at least December 2021, *SALDARRIAGA ARCHILA*
20 advertised on his Instagram page “Camclose52,” which had various violations of the Real
21 Estate Law and Regulations. These violations include, but are not limited to, failing to disclose
22 his real estate license number and identify his employing broker, EROCI.

23 26.

24 From an unknown time to at least December 2021, *SALDARRIAGA ARCHILA*
25 advertised on Facebook page, www.facebook.com/camcloses, which had various violations of
26
27

1 the Real Estate Law and Regulations. These violations include, but are not limited to, failing to
2 identify his employing broker, EROCI.

3 27.

4 From an unknown time to at least December 2021, *SALDARRIAGA ARCHILA*
5 advertised on his website, *camestates.com*, which had various violations of the Real Estate Law
6 and Regulations. These violations include, but are not limited to, failing to disclose his real
7 estate license number.

8 28.

9 The conduct, acts, and/or omissions of Respondent *SALDARRIAGA ARCHILA*
10 as described in Paragraphs 16 and 25 to 27, above, are violations of Code section 10159.5 (file
11 fictitious business name with county clerk) and Regulations section 2731 (shall not use
12 unregistered fictitious business name), and are cause for the suspension or revocation of all real
13 estate licenses and license rights of Respondent under the provisions of Code sections 10176(a)
14 (substantial misrepresentation), 10177(d) (willful disregard of Real Estate Law and
15 Regulations), and 10177(g) (negligence/incompetence).

16
17 *IN AGGRAVATION*

18 29.

19 After the Accusation in case no. H-6686 SAC, as described in Paragraph 3,
20 above, was filed on or about May 15, 2018, the Department of Real Estate found at least three
21 (3) of EROCI's licensees had various compliance violations, including, but not limited to, using
22 unregistered fictitious business names, sending unsolicited text messages without license
23 numbers, and advertising unlicensed branch offices. These licensees include, but are not
24 limited to, broker and EROCI branch manager Aaron Klapper (license no. 01409532),
25 salesperson Michael David Bridges (license no. 01917698), and salesperson Michael Adam
26 Turnquist (license no. 01351911).

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30.

Compliance letters regarding the violations described in Paragraph 29, above, were sent to EROCI and the pertinent licensees, and the cases were closed once compliance was met.

(BROKER SUPERVISION AND MISREPRESENTATION: EROCI AND PENNY)

31.

Incorporated herein are Paragraphs 3 through 30, above.

32.

EROCI has had previous license discipline in DRE case nos. H-6686 SAC, in part, on its failure to supervise.

33.

Based on the above facts, EROCI did not exercise reasonable control and supervision over the activities conducted by its employees and/or licensees, including, but not limited to, MIDDLETON, SAMANO, CAZAREZ, SALDARRIAGA ARCHILA, and KFOURY, as necessary to secure full compliance with real estate laws, which constitutes a breach of fiduciary duty with respect to its real estate consumers and clientele, and that EROCI demonstrates a continued and flagrant course of misrepresentation and/or making of false promises through its licensees. EROCI's conduct and violations are cause for the suspension or revocation of its real estate license and license rights pursuant to Code sections 10176(c), 10176(g), and 10177(h) and Regulations section 2725.

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1 34.

2 Based on the above facts, PENNY did not exercise reasonable control and
3 supervision over the activities conducted by its employees and/or licensees, including, but not
4 limited to, MIDDLETON, SAMANO, CAZAREZ, SALDARRIAGA ARCHILA, and
5 KFOURY, as necessary to secure full compliance with real estate laws, which constitutes a
6 breach of fiduciary duty with respect to its real estate consumers and clientele, and that PENNY
7 demonstrates a continued and flagrant course of misrepresentation and/or making of false
8 promises through its licensees. PENNY's conduct and violations are cause for the suspension
9 or revocation of his real estate license and license rights pursuant to Code sections 10176(c),
10 10176(g), and 10177(h) and Regulations section 2725.

11
12 COSTS

13 35.

14 Code section 10106 provides, in pertinent part, that in any order issued in
15 resolution of a disciplinary proceeding before the bureau, the Commissioner may request the
16 administrative law judge to direct a licensee found to have committed a violation of this part to
17 pay a sum not to exceed the reasonable costs of investigation and enforcement of the case.

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1 WHEREFORE, Complainant prays that a hearing be conducted on the
2 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
3 disciplinary action against all licenses and/or license rights under the Real Estate Law (Part 1 of
4 Division 4 of the California Business and Professions Code) of Respondents EXP REALTY
5 OF CALIFORNIA, INC.; DEBORAH LYNN PENNY, individually and as designated officer
6 of eXp Realty of California, Inc.; PETER T. MIDDLETON; JOSE SAMANO; ABE IVAN
7 CAZAREZ; JOSE SAMANO; CAMILO ANDRES SALDARRIAGA ARCHILA; and
8 CHRISTINE KFOURY for the cost of investigation and enforcement as permitted by law, and
9 for such other and further relief as may be proper under applicable provisions of law.

10 Dated at San Diego, California: February 23, 2022

11
12 *Veronica Kilpatrick*

13 _____
14 Veronica Kilpatrick
15 Supervising Special Investigator
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19

20 cc: eXp Realty of California, Inc.
21 Deborah Lynn Penny
22 Peter T. Middleton
23 Jose Samano
24 Abe Cazarez
25 Camilo Andres Saldarriaga Archila
26 Christine Kfoury
27 Veronica Kilpatrick
Sacto.