

FILED

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DEPT. OF REAL ESTATE

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation Against

JOE ECO REAL ESTATE BROKER INC., and

JOSEPH P. ECONOMOU, individually and as

Designated Officer of Joe Eco Real Estate Broker Inc.,

Respondents.

No. H-05880 SD

ACCUSATION

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of California, for cause of Accusation against JOE ECO REAL ESTATE BROKER INC. ("JEREBI") and JOSEPH P. ECONOMOU ("ECONOMOU"), individually and as designated officer of Joe Eco Real Estate Broker Inc., (collectively as "Respondents") alleges as follows:

1.

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

2.

All references to the "Code" are to the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6 of the California Code of Regulations.

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ACCUSATION

- 1 -

1 LICENSE HISTORY

2 (JOE ECO REAL ESTATE BROKER INC.)

3 3.

4 Respondent JEREBI is presently licensed and/or has license rights under the
5 Code as a corporate real estate broker with Department of Real Estate ("Department") license
6 ID 01966336. JEREBI maintains the fictitious business name "Islander Realty" with the
7 Department.

8 (JOSEPH P. ECONOMOU)

9 4.

10 Respondent ECONOMOU is presently licensed and/or has license rights under
11 the Code as a real estate broker with Department license ID 01053989. ECONOMOU is the
12 designated officer for JEREBI. As designated officer, ECONOMOU is responsible for the
13 supervision of the activities conducted on behalf of JEREBI by its officers, agents, real estate
14 licensees, and employees pursuant to Section 10159.2 of the Code.

15 (PRIOR LICENSE DISCIPLINARY ACTION)

16 5.

17 On or about October 1, 2015, in Case No. H-04750 SD, the Complainant
18 Veronica Kilpatrick, in her official capacity as a Supervising Special Investigator for the
19 Department, issued an Accusation against Respondents. The Accusation alleged violations of
20 the Code and Regulations relating to Respondents' property management activities (Audit No.
21 SD140035). On or about July 18, 2016, the Real Estate Commissioner issued a Decision,
22 effective August 12, 2016, ordering the stayed suspension of the real estate licenses of
23 Respondents with certain terms and conditions, including in part, obeying all laws, rules and
24 regulations governing the rights, duties and responsibilities of a real estate licensee, and
25 payment of costs associated with the investigation and enforcement which led to the
26 disciplinary action.

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1 6.

2 On or about July 1, 2020, in Case No. H-05129 SD, the Complainant Veronica
3 Kilpatrick, in her official capacity as a Supervising Special Investigator for the Department,
4 issued an Accusation against Respondents. The Accusation alleged violations of the Code and
5 Regulations relating to Respondents' property management activities (Audit No. SD180022).
6 On or about July 15, 2021, the Real Estate Commissioner issued a Decision, effective August
7 20, 2021, ordering the stayed suspension of the real estate licenses of Respondents, with certain
8 terms and conditions, including in part obeying all laws, rules and regulations governing the
9 rights, duties and responsibilities of a real estate licensee, and payment of costs associated with
10 the investigation and enforcement which led to the disciplinary action.

11 REAL ESTATE ACTIVITY

12 7.

13 At all times relevant herein JEREBI engaged in the business of, acted in the
14 capacity of, advertised or assumed to act as a real estate broker for or in expectation of
15 compensation, within the meaning of Code section 10131(b) (leases or rents or offers to lease
16 or rent, or places for rent, or solicits listings of places for rent, or solicits for prospective
17 tenants, or negotiates the sale, purchase, or exchanges of leases on real property, or on a
18 business opportunity, or collects rents from real property, or improvements thereon, or from
19 business opportunities).

20 CAUSE FOR ACCUSATION

21 (AUDIT NO. SD230038)

22 8.

23 On or about October 17, 2024, the Department completed an audit examination
24 of the books and records of JEREBI pertaining to its property management activities described
25 in Paragraph 7 above, to determine whether Respondents are in compliance with the Code and
26 Regulations and have corrected the violations found in the prior audit examination in Audit No.
27 SD180022 in Case No. H-05129 SD. The audit examination covered the time period from
28 August 21, 2021, to May 31, 2024 ("audit period"). During the audit period, JEREBI managed

1 twenty-four (24) residential properties for approximately twenty-four (24) owners. The audit
2 examination revealed violations of the Code and the Regulations as set forth in the following
3 paragraphs, and more fully discussed in Audit Report No. SD230038 and the exhibits and work
4 papers attached to said audit report.

5 9.

6 At all times mentioned herein, and in connection with the property management
7 activities described in Paragraph 7 above, JEREBI accepted or received funds, including funds
8 in trust ("trust funds") from or on behalf of the owners of the properties managed by JEREBI,
9 and thereafter made deposits and/or disbursements of such funds. JEREBI maintained one (1)
10 bank account at Chase Bank (Account No. xxxx2928) ("BA-1") to hold and collect trust funds
11 for multiple beneficiaries during the audit period.

12 10.

13 The audit examination revealed violations of the Code and the Regulations, as
14 set forth in the following paragraphs, and more fully discussed in Audit Report No. SD230038
15 and the exhibits and work papers attached to the audit reports:

16 **(a) Handling of Trust Funds/Trust Account Designation (Code section 10145; Regulations**
17 **section 2832).**

18 Based on an examination of BA-1's bank signature card, BA-1 was not
19 designated as a trust account.

20 Furthermore, Respondents collected trust funds in the form of rent receipts and
21 failed to place said funds in BA-1 within three (3) business days from the receipt of funds. For
22 example, according to the records examined, Respondents received trust funds on March 1,
23 2024, for the property located on Avenida Del Mundo Unit #301. The date of deposit on BA-
24 1's bank statement was March 8, 2024.

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1 **(b) Trust Fund Records to be Maintained (Code section 10145; Regulations section 2831).**

2 The Department auditor requested from Respondents the control record for BA-
3 1 for the period August 21, 2021, through May 31, 2024. On July 2, 2024, Respondents
4 provided only three (3) months of records from March 1, 2024, to May 28, 2024. On September
5 6, 2024, Respondents provided the control record from August 1, 2021, through December 31,
6 2022. On October 8, 2024, Respondents produced the control record for January 1, 2023,
7 through May 31, 2024. Based on an examination of JEREBI's control record maintained for
8 BA-1, BA-1 was inaccurate and incomplete:

- 9 i. As of May 31, 2024, BA-1's general ledger balance was \$85,759.38 and the
10 total sum of BA-1's separate records as of May 31, 2024, was \$52,875.75.
11 ii. JEREBI did not maintain a control record for the period of January 1, 2023,
12 through February 29, 2024;
13 iii. As of May 31, 2024, a deposit of \$20,000 was missing from the control record
14 produced on July 2, 2024. The control record provided on October 8, 2024,
15 however, shows the deposit of \$20,000 posted on May 31, 2024.
16 iv. A payment to a property owner in the amount of \$3,487.50 was posted twice.
17 v. The control record did not indicate when the trust funds were deposited.

18 **(c) Separate Record for Each Beneficiary or Transaction (Code section 10145;**
19 **Regulations section 2831.1.**

20 The separate records maintained for BA-1 were inaccurate and incomplete.
21 Specifically, the sum of all ending balances in the separate records did not equal the ending
22 balance in the control record. Respondents did not maintain a separate record for funds totaling
23 \$33,942.34 that were unidentified and unaccounted for in BA-1 as of May 31, 2024.

24 **(d) Trust Account Reconciliation (Code section 10145; Regulations section 2831.2).**

25 Respondents did not maintain an accurate record of the monthly reconciliation
26 for BA-1. Respondents did not reconcile the funds totaling \$32,883.63 that were unidentified
27 and unaccounted for in BA-1 as of May 31, 2024. In addition, Respondents did not reconcile
28 the funds totaling \$1,058.71 that were unidentified and unaccounted for in BA-1.

1 **(e) Place of Business (Code section 10162).**

2 According to Respondent ECONOMOU, JEREBI moved its main office
3 location to Orange Avenue in Coronado, California in May 2024. The Department's records as
4 of September 4, 2024, still listed JEREBI's main office at B Avenue in Coronado, California.

5 **(f) Responsibility of Corporate Officer in Charge / Broker Supervision (Code section**
6 **10159.2; Regulations section 2725).**

7 ECONOMOU failed to adequately supervise and control JEREBI's real estate
8 activities to ensure full compliance with the Real Estate Law and Regulations. On September
9 13, 2024, the Department requested Respondents provide a copy of their policy and procedures
10 manual. Respondents did not respond to the Department's request.

11 11.

12 Each of the foregoing violations in Paragraph 10(a)-(f) above constitutes cause
13 for the suspension or revocation of the real estate license and/or license rights of Respondents
14 under the provisions of Sections 10177(d) and/or 10177(g).

15 **COSTS**

16 **(AUDIT COSTS)**

17 12.

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

23 **(INVESTIGATION AND ENFORCEMENT COSTS)**

24 13.

25 Section 10106 of the Code, provides, in pertinent part, that in any order issued in
26 resolution of a disciplinary proceeding before the Department, the Commissioner may request
27 the administrative law judge to direct a licensee found to have committed a violation of this
28

1 part to pay a sum not to exceed the reasonable costs of investigation and enforcement of the
2 case.

3 WHEREFORE, Complainant prays that a hearing be conducted on the
4 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
5 disciplinary action against all the licenses and/or license rights of Respondents JOE ECO
6 REAL ESTATE BROKER INC. and JOSEPH P. ECONOMOU under the Real Estate Law, for
7 the costs of investigation and enforcement as permitted by law, for the cost of the audits, and
8 for such other and further relief as may be proper under other applicable provisions of law.

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10 Dated at San Diego, California this 6th day of J u n e, 2025.

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13 _____
14 Veronica Kilpatrick
15 Supervising Special Investigator
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25 cc: JOE ECO REAL ESTATE BROKER INC.
26 JOSEPH P. ECONOMOU
27 Veronica Kilpatrick
28 Sacto.
Audits – Isabel Beltran