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FILED

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DEPARTMENT OF REAL ESTATE  
By B. N. Arulao

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

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In the Matter of the Accusation of )

MARDOLLA GROUP, INC.; )

and )

DOJI C. LLAMAS, individually and as the )  
designated officer of Mardolla Group, Inc., )

Respondents. )

No. H-12702 SF

ACCUSATION

17 The Complainant, STEPHANIE YEE, a Supervising Special Investigator of the  
18 State of California, for cause of Accusation against MARDOLLA GROUP, INC., and DOJI C.  
19 LLAMAS (collectively referred to as "Respondents"), is informed and alleges as follows:

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21 The Complainant, STEPHANIE YEE, a Supervising Special Investigator of the  
22 State of California, makes this Accusation in her official capacity.

23 PRELIMINARY ALLEGATIONS

24 2

25 Respondents are presently licensed and/or have license rights under the Real  
26 Estate Law, Part 1 of Division 4 of the Business and Professions Code ("Code").

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At all times mentioned prior to October 4, 2022, and after February 13, 2023, Respondent MARDOLLA GROUP, INC. (MGI) was and is licensed by the Department as a real estate broker corporation, License ID 01526488. MGI was licensed as a real estate corporation on January 13, 2010. MGI's corporate broker license expired on October 4, 2022, and was not timely renewed. MGI's corporate license was renewed late on February 13, 2023. Unless renewed, MGI's corporate broker license will expire February 12, 2027.

Beginning February 14, 2023, MGI was and is licensed to do business under the fictitious business names, "RPM Mid-Peninsula" and "Real Property Management Mid-Peninsula."

At all times mentioned prior to October 4, 2022, and after February 13, 2023, DOJI C. LLAMAS (LLAMAS) was and is licensed by the Department as the designated broker officer of MGI. As said designated officer-broker, LLAMAS was and is responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of the officers, agents, real estate licensees, and employees of MGI for which a license is required.

At all times mentioned prior to October 4, 2022, and after November 18, 2022, Respondent LLAMAS was and is licensed by the Department individually as a real estate broker, License ID 00989984. LLAMAS was licensed as a real estate salesperson on May 4, 1998, and as a real estate broker on February 24, 1990. LLAMAS' broker license expired on October 4, 2022, and was not timely renewed. LLAMAS' broker license was renewed late on November 18, 2022. Unless renewed, LLAMAS' broker license will expire November 17, 2026.

LLAMAS was and is licensed by the Department as the designated broker officer of MGI.

At all times mentioned, LLAMAS was and is licensed to do business under the fictitious business names, "Mardolla & Associates" and "Mardolla Mortgage."

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Whenever reference is made in an allegation in this Accusation to an act or omission of MGI, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with MGI committed such acts or omissions while engaged in furtherance of the business or operation of MGI and while acting within the course and scope of their corporate authority and employment.

AUDIT OK22-0087

On or about June 16, 2022, the Department completed its audit (OK22-0087) of the books and records of MGI's property management activities described in Paragraph 7. The auditor herein examined the records for the period of February 1, 2022, through January 31, 2023.

At all times mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker within the State of California within the meaning of Section 10131(b) of the Code, including the operation and conduct of a property management business with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondents leased or rented and offered to lease or rent, and solicited for prospective tenants of real property or improvements thereon, and collected rents from real property or improvements thereon.

As of the audit examination, Respondents managed one hundred and sixty-four (164) one-to-four-unit residences, eight (8) apartment complexes, and two (2) commercial complexes for one hundred and fifty-three (153) owners. Respondents collected approximately \$8,647,948 in trust funds annually.

Respondents' property management services include, but not limited to, collecting rents and security deposits for real property and responsibility for repairs and maintenance. For such property management services, Respondents charged a management fee of 5 to 8.5 percent

1 of collected rents. Respondents also charged a lease execution fee of 6 percent of annual rents  
2 and/or half of one full month's rent.

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4 While acting as a real estate broker as described in Paragraph 7, Respondents  
5 accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in  
6 connection with the leasing, renting, and collection of rents on real property or improvements  
7 thereon, as alleged herein, and thereafter from time-to-time made disbursements of said trust  
8 funds.

9 The trust funds accepted or received by Respondents were deposited or caused to  
10 be deposited by Respondents into accounts which were maintained by Respondents for the  
11 handling of trust funds, and thereafter from time-to-time Respondents made disbursements of  
12 said trust funds, identified as follows:

| TRUST ACCOUNT # 1       |                                                                                                                                                                                                                                                                                                              |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bank Name and Location: | City National Bank<br>1450 Capin Avenue, Suite 100<br>Burlingame, CA 94010                                                                                                                                                                                                                                   |
| Account No.:            | XXXXXX4357                                                                                                                                                                                                                                                                                                   |
| Account Name:           | Mardolla Group Inc.<br>DBA Real Property Management Mid-Peninsula<br>(Property Management Tr Account)                                                                                                                                                                                                        |
| Purpose:                | Trust Account #1 was used as a rent operation account.<br>Deposits made into Trust Account #1 included rent receipts.<br>Disbursements from Trust Account #1 included expenditures<br>related to property operation, security deposit refund, owner<br>distribution, and management fee/leading commissions. |

| TRUST ACCOUNT # 2       |                                                                                                       |
|-------------------------|-------------------------------------------------------------------------------------------------------|
| Bank Name and Location: | City National Bank<br>1450 Capin Avenue, Suite 100<br>Burlingame, CA 94010                            |
| Account No.:            | XXXXXX4365                                                                                            |
| Account Name:           | Mardolla Group Inc.<br>DBA Real Property Management Mid-Peninsula<br>(Property Management Tr Account) |
| Purpose:                | Trust Account #2 was used to hold security deposits collected from tenants.                           |

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In the course of the property management activities described in Paragraph 7, and during the audit examination period described in Paragraph 6, Respondents violated the Code and Regulations described below:

#### Trust Account Accountability and Balances

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(Trust Account #1)

Based on the records provided during the audit, a bank reconciliation for Trust Account #1 was prepared for as of January 31, 2023. The adjusted bank balance of Trust Account #1 as of January 31, 2023, was compared to the beneficiaries' accountability for Trust Account #1 as of January 31, 2023.

|                       |                     |
|-----------------------|---------------------|
| Adjusted Bank Balance | \$454,069.19        |
| Accountability        | <u>\$459,260.17</u> |
| Trust Fund Shortage   | <u>(\$5,190.98)</u> |

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1 A shortage of \$5,190.98 was found in Trust Account #1 as of January 31, 2023.  
2 The shortage was caused by Respondents lending funds to properties when Respondents had no  
3 sufficient funds of their own in Trust Account #1 to do so.

4 Respondents provided no evidence that the owners of the trust funds had given  
5 their written consent to allow Respondents to reduce the balance of the funds in Trust Account  
6 #1 to an amount less than the existing aggregate trust fund liabilities, in violation of Section  
7 10145 of the Code and Section 2832.1 of Title 10, Chapter 6, California Code of Regulations  
8 (Regulations).

#### 9 Commingling

10 11

11 Respondents commingled with their own money or property, the money or  
12 property of others which was received or held by Respondents in trust in violation of Section  
13 10176(e) of the Code.

14 During the audit period, Respondents maintained more than \$200 of their own  
15 funds in Trust Account #1 and Trust Account #2.

16 Trust Account #1 broker's fund balance as of February 1, 2022, was \$21,224.48.  
17 the broker's fund balance fluctuated up and down within the positive region between the  
18 maximum of \$23,030.34 on February 28, 2022, and a minimum of \$188.95 on October 31, 2022.  
19 Respondents maintained more than \$200 of its funds in Trust Account #1 until MGI's ledger  
20 balance dropped to (\$5,658.07) on October 31, 2022. Trust Account #1 broker's fund balance  
21 remained in the negative region most of the time from October 31, 2022, till the end of the audit  
22 period.

23 Respondents had \$24,363.73 in excess of \$200 of its funds in Trust Account #2  
24 during the audit period.

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Unlicensed Activity

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Between October 5, 2022, and February 12, 2023, MGI, while its license was expired, in course of the property management brokerage activities described in Paragraph 7, solicited prospective tenants for, negotiated rental agreements for and collected rents from real properties owned by another or others, including but not limited to, one hundred and sixty-four (164) one-to-four-unit residences, eight (8) apartment complexes, and two (2) commercial complexes for one hundred and fifty-three (153) owners. Examples of rents collected during the period MGI's license was expired include:

| Tenant Name   | Amount     | Date Collected | Date Deposited |
|---------------|------------|----------------|----------------|
| Sampson, L.   | \$2,000.00 | 12/1/22        | 12/2/22        |
| Fong, J.      | \$1,841.00 | 12/2/22        | 12/2/22        |
| Hernandez, M. | \$2,092.59 | 10/31/22       | 11/2/22        |
| Sanchez, M.   | \$3,350.00 | 12/15/22       | 12/15/22       |
| Migliore, B.  | \$2,050.00 | 1/5/23         | 1/6/23         |

Secret or Undisclosed Compensation

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Collected and retained unearned fees, compensation, profit, and/or failed to disclose failed to reveal the full amount of compensation from homeowners in connection with payment for property management services by Respondents, in violation of Section 10176(g) of the Code.

Respondents failed to disclose in writing to its owners whose trust funds were handled through Trust Account #1 and Trust Account #2 that Respondent maintained an earnings credit relationship with City National Bank which was based on the balances of funds handled through Trust Account #1 and Trust Account #2 and Respondents operating and personal

1 accounts. Respondents received a combined earning credit totaling \$1,037.92 from November  
2 2022 to January 2023. The earnings credit was used to offset the bank charges of the accounts.

3 FAILURE TO SUPERVISE

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5 Respondent LLAMAS failed to exercise reasonable supervision over the acts of  
6 MGI in such a manner as to allow the acts and events described above to occur.

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8 The acts and/or omissions of LLAMAS as described in Paragraph 14, constitutes  
9 failure on the part of LLAMAS, as designated broker-officer for MGI, to exercise reasonable  
10 supervision and control over the licensed activities of MGI as required by Section 10159.2 of the  
11 Code and Section 2725 of the Regulations.

12 GROUND FOR DISCIPLINE

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14 The acts and/or omissions of Respondents as alleged in the above constitute  
15 grounds for the suspension or revocation of all licenses and license rights of Respondents,  
16 pursuant to the following provisions of the Code and Regulations:

17 As to Paragraph 10, under Sections 10177(d) and/or 10177(g) of the Code in  
18 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

19 As to Paragraph 11, under Section 10176(e) of the Code;

20 As to Paragraph 12, under Sections 10177(d) and/or 10177(g) of the Code in  
21 conjunction with Section 10130 of the Code; and

22 As to Paragraph 13, under Section 10176(g) of the Code.

23 17

24 The acts and/or omissions of LLAMAS as alleged in Paragraphs 14 and 15  
25 constitute grounds for the suspension or revocation of all licenses and license rights of LLAMAS  
26 under Sections 10177(g) and/or 10177(h) of the Code, and Section 10159.2 of the Code in  
27 conjunction with Section 10177(d) of the Code.

1 COST RECOVERY

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3 The acts and/or omissions of Respondents as alleged above, entitle the  
4 Department to reimbursement of the costs of its audit pursuant to Section 10148(b) of the Code.

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6 Section 10106 of the Code provides, in pertinent part, that in any order issued in  
7 resolution of a disciplinary proceeding before the Department, the Commissioner may request  
8 the Administrative Law Judge to direct a licensee found to have committed a violation of this  
9 part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the  
10 case.

11 WHEREFORE, Complainant prays that a hearing be conducted on the allegations  
12 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary  
13 action against all licenses and license rights of Respondents under the Code, for the cost of  
14 investigation and enforcement as permitted by law, and for such other and further relief as may  
15 be proper under the provisions of law.

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17  
18 STEPHANIE YEE  
19 Supervising Special Investigator

20 Dated at Oakland, California,  
21 this 28th day of December, 2023

DISCOVERY DEMAND

Pursuant to Sections 11507.6, *et seq.* of the *Government Code*, the Department of Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the *Administrative Procedure Act*. Failure to provide Discovery to the Department of Real Estate may result in the exclusion of witnesses and documents at the hearing or other sanctions that the Office of Administrative Hearings deems appropriate.