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Department of Real Estate
320 West Fourth Street, Suite 350
Los Angeles, California 90013-1105

(213) 576-6911 (direct); 576-6982 (office)

FILED
NOV 15 1999
DEPARTMENT OF REAL ESTATE

K. M. Nichols

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

To:)
)
PROFESSIONAL REAL ESTATE) No. H-28222 LA
ENTERPRISES, INC. a corporate)
real estate broker, and,) ORDER TO DESIST
H. DENNIS BURGOON,) AND REFRAIN
individually and as designated)
officer of Professional Real)
Estate Enterprises, Inc.)
)
Respondents.)
_____)

The Real Estate Commissioner of the State of California (Commissioner) has caused an investigation to be conducted and is of the opinion that you, PROFESSIONAL REAL ESTATE ENTERPRISES, INC., have violated Section 10145 of the Business and Professions Code (Code) and Sections 2832.1 and 2950(h) of Title 10, Chapter 6, California Code of Regulations (Regulations) and that you, H. DENNIS BURGOON, as designated officer of Professional Real Estate Enterprises, Inc. have violated Section 10159.2 of the Code.

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At all times herein mentioned, you, PROFESSIONAL REAL ESTATE ENTERPRISES, INC. (PREE), a corporation, were and still are licensed by the Department of Real Estate of the State of California (Department) as a corporate real estate broker.

At all times herein mentioned, you, H. DENNIS BURGOON (BURGOON), were and still are licensed by the Department as a real estate broker, individually and as designated officer of PREE.

All further references herein to "you" include the parties identified in Paragraphs 1 and 2 and also include the officers, directors, employees, agents and real estate licensees employed by or associated with those parties, who at all times herein mentioned were engaged in the furtherance of the business or operations of those parties and who were acting within the course and scope of their authority and employment.

At all times mentioned, in the State of California in the City of Glendale and West Covina, Los Angeles County, PREE and BURGOON acted as real estate brokers within the meaning of Section 10131(a) of the Code in that they operated a residential real estate resale business. In addition, Respondents conducted broker controlled escrows under the exemption set forth in Section 17006(a)(4) of the California Financial Code.

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On or about July 9, 1999, the Department completed an examination of PREE's books and records pertaining to its activities as a real estate broker described in Paragraph 4. The audit examination covered the period of time beginning on September 1, 1998 to March 31, 1999. The audit examination revealed violations of the Code and of the Regulations as set forth below.

At all times mentioned, in connection with the real estate activities, described in Paragraph 4, above, PREE accepted or received funds, including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective buyers and sellers. PREE maintained four trust accounts during the audit period as follows:

Escrow Professionals A DBA of Professional Real Estate Enterprises
Escrow Trust Account #2
0500172201
First Security Bank (T/A #1)
18401 Von Karman Ave
Irvine, CA 92612

Professional Real Estate Enterprises, Inc.
DBA Escrow Professionals Esc Trust A/C
0500030001
First Security Bank (T/A #2)
18401 Von Karman Ave
Irvine, CA 92612

Escrow Professionals Escrow Trust Account
1521329901
Southern California Bank (T/A #3)
9042 Garfield Ave
Huntington Beach, CA 92646

1 Professional Real Estate Enterprises, Inc.
DBA Professional Real Estate Enterprises Real Estate Trust
0500029702
2 First Security Bank
18401 Von Karman Ave (T/A #4)
3 Irvine, CA 92612

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5 With respect to the trust funds referred to in Paragraph
6 6, it is alleged that PREE:

7 (a) Permitted, allowed or caused the disbursement
8 of trust funds from T/A #1 where the disbursement of said funds
9 reduced the aggregate of funds in T/A #1, to an amount which, on
10 March 31 1999, was \$940 less than your existing aggregate trust
11 fund liability to every principal who was an owner of said funds,
12 without first obtaining the prior written consent of the owners of
13 said funds, in violation of Section 10145(a) of the Code and
14 Section 2832.1 of the Regulations;

15 (b) Permitted, allowed, or caused an unexplained
16 overage to accumulate in T/A #2 and #3, which on March 31, 1999,
17 was in the total amount of \$1,630.94, in violation of Section
18 10145 of the Code; and,

19 (c) Failed to advise all parties to the escrow
20 operation of Escrow Professionals of PREE's ownership of said
21 escrow company, in violation of Regulation 2950(h).

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23 The overall conduct of Respondent BURGOON, constitutes a
24 failure on his part, as officer designated by a corporate broker
25 licensee, responsible for the supervision and control over the
26 activities conducted on behalf of PREE by its officers, managers
27 and employees as necessary to secure full compliance with the



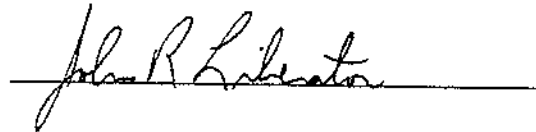
1 provisions of the Real Estate Law including the supervision of the
2 salespersons licensed to the corporation in the performance of
3 acts for which a real estate license is required, in violations of
4 the provisions of Section 10159.2 of the Code.

5 NOW, THEREFORE, YOU, PROFESSIONAL REAL ESTATE
6 ENTERPRISES, INC., YOUR AGENTS, EMPLOYEES, SUCCESSORS, ASSIGNEES
7 AND LICENSEES ARE ORDERED TO DESIST AND REFRAIN from any and all
8 conduct requiring a real estate license unless and until you
9 comply with Section 10145 of the Code and Sections 2832.1 and
10 2950(h) of the Regulations.

11 YOU, H. DENNIS BURGOON, ARE ORDERED TO DESIST AND
12 REFRAIN from any and all conduct requiring a real estate license
13 unless and until you comply with Section 10159.2 of the Code.

14 DATED November 2, 1999.

15 JOHN R. LIBERATOR
16 Acting Real Estate Commissioner

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24 cc: Professional Real Estate Enterprises, Inc.
25 c/o H. Dennis Burgoon, D.O.
26 30052-B Aventura
27 Rancho Santa Margarita, California 92688

EM:lbo

