

1 ELLIOTT MAC LENNAN, Counsel (SBN 66674)  
2 Department of Real Estate  
3 320 W. 4<sup>TH</sup> Street, Suite 350  
4 Los Angeles, CA 90013-1105

FILED  
AUG 30 2001  
DEPARTMENT OF REAL ESTATE

5 Telephone: (213) 576-6982 (Office)  
6 -or- (213) 576-6911 (Direct)

By K. Kueckholz

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) No. H-28946 LA  
12 )  
13 ) DERIC ANDREW RANGELL, ) STIPULATION  
14 ) Respondent. ) AND AGREEMENT

15 It is hereby stipulated by and between Respondent  
16 DERIC ANDREW RANGELL (sometimes referred to herein as  
17 "Respondent") represented by Frank M. Buda, Esq., and the  
18 Complainant, acting by and through Elliott Mac Lennan, Counsel  
19 for the Department of Real Estate, as follows for the purpose of  
20 settling and disposing of the Amended Accusation ("Accusation")  
21 filed on April 23, 2001, in this matter.

22  
23 1. All issues which were to be contested and all  
24 evidence which was to be presented by Complainant and Respondent  
25 at a formal hearing on the Accusation, which hearing was to be  
26 held in accordance with the provisions of the Administrative  
27 Procedure Act ("APA"), shall instead and in place thereof be

1 submitted solely on the basis of the provisions of this  
2 Stipulation and Agreement ("Stipulation").

3           2. Respondent has received, read and understands  
4 the Statement to Respondent, the Discovery Provisions of the  
5 APA and the Accusation, filed by the Department of Real Estate  
6 ("Department") in this proceeding.

7           3. Respondent filed a Notice of Defense pursuant to  
8 Section 11506 of the Government Code for the purpose of  
9 requesting a hearing on the allegations in the Accusation.  
10 Respondent hereby freely and voluntarily withdraws said Notice of  
11 Defense. Respondent acknowledges that he understands that by  
12 withdrawing said Notice of Defense, he will thereby waive his  
13 right to require the Commissioner to prove the allegations in the  
14 Accusation at a contested hearing held in accordance with the  
15 provisions of the APA and that he will waive other rights  
16 afforded to him in connection with the hearing, such as the right  
17 to present evidence in defense of the allegations in the  
18 Accusation and the right to cross-examine witnesses.

19           4. This Stipulation and Agreement is based on the  
20 factual allegations contained in the Accusation filed in this  
21 proceeding. In the interest of expedience and economy,  
22 Respondent chooses not to contest these factual allegations, but  
23 to remain silent and understands that, as a result thereof, these  
24 factual statements, without being admitted or denied, will serve  
25 as a prima facie basis for the disciplinary action stipulated to  
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1 herein. This Stipulation and Respondent's decision not to  
2 contest the Accusation are hereby expressly limited to this  
3 proceeding and made for the sole purpose of reaching an agreed  
4 disposition of this proceeding. Respondent's decision not to  
5 contest the factual allegations is made solely for the purpose of  
6 effectuating this Stipulation and is intended by Respondent to be  
7 non-binding upon Respondent in any actions against Respondent by  
8 third parties. The Real Estate Commissioner shall not be  
9 required to provide further evidence to prove such allegations.

10 5. This Stipulation and any Order made pursuant to  
11 this Stipulation shall have no collateral estoppel or res  
12 judicata effect in any proceedings in which the Respondent and  
13 the Department (or the Department's representative) are not  
14 parties. This Stipulation is made by Respondent and received  
15 by the Commissioner and the Department, with the express  
16 understanding and agreement that it is for the purpose of  
17 settling these proceedings only, and that this Stipulation is  
18 not intended as, and shall not be deemed, used, or accepted as  
19 an acknowledgment or admission of fact in any other judicial,  
20 administrative, or other proceeding to which the Department is  
21 not a party.

23 6. It is understood by the parties that the Real  
24 Estate Commissioner may adopt the Stipulation as her decision  
25 in this matter, thereby imposing the penalty and sanctions on  
26 Respondent's real estate license and license rights as set forth  
27

1 in the below "Order." In the event that the Commissioner in her  
2 discretion does not adopt the Stipulation, the Stipulation shall  
3 be void and of no effect, and Respondent shall retain the right  
4 to a hearing on the Accusation under all the provisions of the  
5 APA and shall not be bound by any stipulation or waiver made  
6 herein.

7 7. The Order or any subsequent Order of the Real  
8 Estate Commissioner made pursuant to this Stipulation shall  
9 not constitute an estoppel, merger or bar to any further  
10 administrative or civil proceedings by the Department of Real  
11 Estate with respect to any matters which were not specifically  
12 alleged to be causes for accusation in this proceeding.

13 8. Respondent understands that by agreeing to this  
14 Stipulation, Respondent agrees to pay, pursuant to Business and  
15 Professions Code Section 10148, the cost of the audit which led  
16 to this disciplinary action. The amount of said cost is \$5,438.  
17

18 9. Respondent has received, read, and understands the  
19 "Notice Concerning Costs of Subsequent Audit". Respondent  
20 further understands that by agreeing to this Stipulation, the  
21 findings set forth below in the Determination of Issues become  
22 final, and the Commissioner may charge Respondent for the cost of  
23 any subsequent audit conducted pursuant to Business and  
24 Professions Code Section 10148 to determine if the violations  
25 have been corrected. The maximum cost of the subsequent audit  
26 will not exceed \$5,438.  
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1 license within ninety (90) days from the effective date of this  
2 Decision.

3 (B) The restricted license issued to Respondent shall  
4 be subject to all of the provisions of Section 10156.7 of the  
5 Code and the following limitations, conditions and restrictions  
6 imposed under authority of Section 10156.6 of that Code:

7 1. The restricted license issued to Respondent may be  
8 suspended prior to hearing by Order of the Real Estate  
9 Commissioner in the event of Respondent's conviction or plea of  
10 nolo contendere to a crime which is substantially related to  
11 Respondent's fitness or capacity as a real estate licensee.

12 2. The restricted license issued to Respondent may  
13 be suspended prior to hearing by Order of the Real Estate  
14 Commissioner on evidence satisfactory to the Commissioner that  
15 Respondent has violated provisions of the California Real Estate  
16 Law, the Subdivided Lands Law, Regulations of the Real Estate  
17 Commissioner or conditions attaching to the restricted license.

18 3. Respondent shall not be eligible to apply for the  
19 issuance of an unrestricted real estate license nor for the  
20 removal of any of the conditions, limitations or restrictions of  
21 a restricted license until two (2) years have elapsed from the  
22 effective date of this Decision.

23 4. Respondent shall, within nine (9) months from the  
24 effective date of this Decision, present evidence satisfactory to  
25 the Real Estate Commissioner that Respondent has, since the most  
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1 recent issuance of an original or renewal real estate license,  
2 taken and successfully completed the continuing education  
3 requirements of Article 2.5 of Chapter 3 of the Real Estate Law  
4 for renewal of a real estate license. If Respondent fails to  
5 satisfy this condition, the Commissioner may order the suspension  
6 of the restricted license until the Respondent presents such  
7 evidence. The Commissioner shall afford Respondent the  
8 opportunity for a hearing pursuant to the Administrative  
9 Procedure Act to present such evidence.

10           5. Respondent shall within six (6) months from the  
11 effective date of the restricted license, take and pass the  
12 Professional Responsibility Examination administered by the  
13 Department including the payment of the appropriate examination  
14 fee. If Respondent fails to satisfy this condition, the  
15 Commissioner may order suspension of the restricted license  
16 until Respondent passes the examination.

17  
18           6. Pursuant to Section 10148 of the Business and  
19 Professions Code, Respondent shall pay the Commissioner's  
20 reasonable cost for: (a) the audit which led to this  
21 disciplinary action and (b) a subsequent audit to determine if  
22 Respondent DERIC ANDREW RANGELL is now in compliance with the  
23 Real Estate Law. The cost of the audit which led to this  
24 disciplinary action is \$5,438. In calculating the amount of the  
25 Commissioner's reasonable cost, the Commissioner may use the  
26 estimated average hourly salary for all persons performing audits  
27





1 \* \* \*

2 EXECUTION OF THE STIPULATION

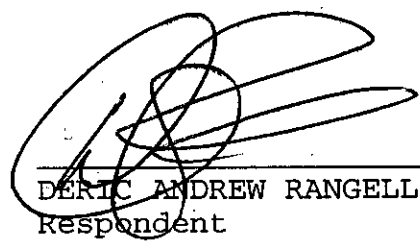
3 I have read the Stipulation and Agreement, and have  
4 discussed it with my counsel. Its terms are understood by me and  
5 are agreeable and acceptable to me. I understand that I am  
6 waiving rights given to me by the California Administrative  
7 Procedure Act (including but not limited to Sections 11506,  
8 11508, 11509 and 11513 of the Government Code), and I willingly,  
9 intelligently and voluntarily waive those rights, including the  
10 right of requiring the Commissioner to prove the allegations in  
11 the Accusation at a hearing at which I would have the right to  
12 cross-examine witnesses against me and to present evidence in  
13 defense and mitigation of the charges.

14 FACSIMILE TRANSMISSION

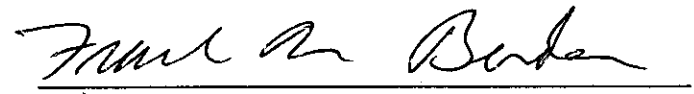
15 Respondent can signify acceptance and approval of the  
16 terms and conditions of this Stipulation and Agreement by faxing  
17 a copy of its signature page, as actually signed by Respondent,  
18 to the Department at the following telephone/fax number: (213)  
19 576-6917, Attention: Elliott Mac Lennan. Respondent agrees,  
20 acknowledges and understands that by electronically sending to  
21 the Department a fax copy of Respondent's actual signature as it  
22 appears on the Stipulation and Agreement, that receipt of the  
23 faxed copy by the Department shall be as binding on Respondent as  
24 if the Department had received the original signed Stipulation  
25 and Agreement.  
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DATED: 8-9-01

  
DERIC ANDREW RANGELL,  
Respondent

DATED: 8-13-01

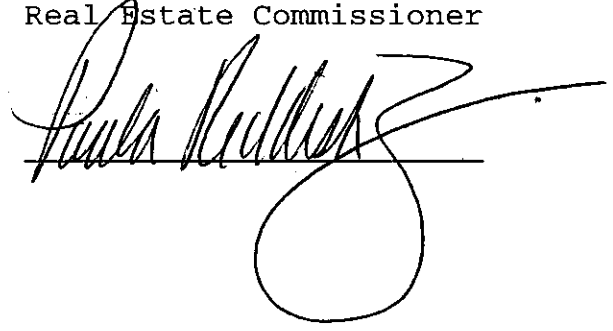
  
FRANK M. BUDA, Attorney for  
DERIC ANDREW RANGELL, Respondent

\* \* \*

The foregoing Stipulation and Agreement is hereby  
adopted as my Decision as to Respondent DERIC ANDREW RANGELL, and  
shall become effective at 12 o'clock noon on September 19, 2001.

IT IS SO ORDERED 8/22/01

PAULA REDDISH ZINNEMANN  
Real Estate Commissioner



*Handwritten initials/signature*

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

**FILED**  
JUN 22 2001  
DEPARTMENT OF REAL ESTATE

*In the Matter of the Accusation of*

DERIC ANDREW RANGELL,

By *K. Niederholt*

Case No. H-28946 LA

OAH No. L-2001020364

} (Large bracket grouping the respondent and case information)

*Respondent*

**NOTICE OF HEARING ON ACCUSATION**

**To the above named respondent:**

*You are hereby notified* that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 320 W. Fourth St., Ste. 630, Los Angeles on August 21, 2001, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

DEPARTMENT OF REAL ESTATE

Dated: June 22, 2001

By *[Signature]*

*Counsel*

cc: Deric Andrew Rangell  
Frank M. Buda, Esq.  
Sacto  
OAH  
CW

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*Handwritten signature/initials*

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ELLIOTT MAC LENNAN, SBN 66674  
Department of Real Estate  
320 West 4th Street, Ste. 350  
Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (direct)  
-or- (213) 576-6982 (office)

**FILED**  
APR 23 2001  
DEPARTMENT OF REAL ESTATE  
By K. Hederholt

DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	No. H-28946 LA
	)	<u>FIRST AMENDED</u>
DERIC ANDREW RANGELL,	)	<u>ACCUSATION</u>
	)	
Respondent.	)	
	)	

The Accusation filed on January 31, 2001, is amended in its entirety as follows:

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, acting in his official capacity, for cause of accusation against DERIC ANDREW RANGELL dba Re/Max Southeast, is informed and alleges as follows:

1

DERIC ANDREW RANGELL (RANGELL), sometimes referred to as Respondent, is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the California

1 Business and Professions Code).

2 2

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

6 3

7 At all times mentioned, RANGELL was licensed or had  
8 license rights issued by the Department of Real Estate  
9 (Department) as a real estate broker. On January 8, 1999,  
10 RANGELL was originally licensed as a real estate broker.

11 4

12 At all times mentioned, in the City of Downey, County  
13 of Los Angeles, RANGELL acted as real estate broker within the  
14 meaning of:

15 A. Section 10131(a) of the Code in that he operated a  
16 residential real estate resale business with the public wherein,  
17 on behalf of others and for compensation or in expectation of  
18 compensation, he sold or offered to sell, bought or offered to  
19 buy, solicited prospective sellers or purchasers of, solicited or  
20 obtained listings of, or negotiated the purchase, sale or  
21 exchange of real property; and,

22 B. In addition, RANGELL conducted broker controlled  
23 escrows through his escrow company Re/Max Southeast Escrow  
24 Division under the exemption set forth in Section 17006(a)(4) of  
25 the California Financial Code for real estate brokers performing  
26 escrows incidental to a real estate transaction where the broker  
27

1 is a party and where is performing acts for which a real estate  
2 license is required.

3 5

4 At all times mentioned, in connection with the  
5 activities described in Paragraph 4, RANGELL accepted or received  
6 funds in trust (trust funds) from or on behalf of actual or  
7 prospective buyers and sellers. Thereafter RANGELL made  
8 disposition of such funds. RANGELL maintained the following  
9 trust account into which he deposited certain of these funds:

10 "Re/Max Southeast Escrow Trust Account  
11 Account No. 1891102277"  
12 Commercica Bank - California  
13 Torrance, California

14 6

15 On October 25, 2000, the Department completed an audit  
16 examination of the books and records of RANGELL pertaining to the  
17 activities described in Paragraphs 4 and 5 that require a real  
18 estate license. The audit examination covered a period of time  
19 beginning on January 8, 1999 and terminating on June 30, 2000.  
20 The audit examination revealed violations of the Code and the  
21 Regulations as set forth in the following paragraphs.

22 7

23 With respect to the trust funds referred to in  
24 Paragraph 5, it is alleged that RANGELL:

25 (a) Permitted, allowed or caused the disbursement of  
26 trust funds from the escrow trust account where the disbursement  
27 of funds reduced the total of aggregate funds in the trust

1 account, to an amount which, on June 30, 2000, was \$36,479.65  
2 less than the existing aggregate trust fund liability of RANGELL  
3 to every principal who was an owner of said funds, without first  
4 obtaining the prior written consent of the owners of said funds,  
5 as required by Section 10145 of the Code and Sections 2832.1,  
6 2950(g), and 2951 of the Regulations. This shortage was cured on  
7 July 31, 2000;

8 (b) Failed to maintain an complete and accurate  
9 control record in the form of a columnar record in chronological  
10 order of all trust funds received, as required by Sections 2831,  
11 2950(d) and 2951 of the Regulations;

12 (c) Failed to maintain an adequate and correct  
13 separate record for each beneficiary or transaction, thereby  
14 failing to account for all trust funds received, deposited into,  
15 and disbursed from the escrow trust account, as required by  
16 Sections 2831.1 and 2951 of the Regulations;

17 (d) Failed to place trust funds into a trust fund  
18 account in the name of the broker as trustee, as required by  
19 Sections 2832 and 2951 of the Regulations;

20 (e) Permitted unlicensed and unbonded persons Tracey  
21 Rangell, Lucilla Castellon and Tania Altamirano to be authorized  
22 signatories on the trust account, in violation of Sections 2834  
23 and of the Regulations;

24 (f) Conducted licensed activities on behalf of Re/Max  
25 Southeast without holding a license bearing said fictitious  
26 business name, in violation of Regulation 2731; and  
27

1 (g) On August 4, 2000, August 28, 2000 and September  
2 21, 2000, a departmental auditor requested fifty-seven escrow  
3 files from Respondent, six beneficiary separate records, bank  
4 records for the period of March 23, 1999 to June 30, 2000,  
5 including a bank signature card, bank statements and cancelled  
6 checks for the trust account. Respondent RANGELL failed make  
7 available the requested records of his activity requiring a real  
8 estate license during the audit period in violation of Section  
9 10148 of the Code and Section 2950(e) of the Regulations.

10 8

11 The conduct of Respondent RANGELL, described in  
12 Paragraph 7, above, violated the Code and the Regulations  
13 forth below:

14 PARAGRAPH

PROVISIONS VIOLATED

15 7(a)

Section 10145 of the Code and  
16 Sections 2832.1, 2950(g), and  
17 2951 of the Regulations

18  
19 7(b)

Section 10145 of the Code and  
20 Sections 2831, 2950(d), and  
21 2951 of the Regulations

22  
23 7(c)

Section 10145 of the Code and  
24 Sections 2831.1, and  
25 2951 of the Regulations  
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7(d) Section 10145 of the Code and  
Sections 2832, and  
2951 of the Regulations

7(e) Section 10145 of the Code and  
Sections 2834, and  
2951 of the Regulations

7(f) Section 2731 of the Regulations

7(g) Section 10148 of the Code and  
Section 2950(e) of the Regulations

The foregoing violations constitute cause for the suspension or  
revocation of the real estate license and license rights of  
RANGELL under the provisions of Section 10177(d) of the Code and  
Section 10148 of the Code where noted above in Paragraphs 6(g)  
and 7(g).

9

The audit examination also revealed that RANGELL failed  
to initiate and maintain signed written Broker-Salesperson  
agreements with seven of RANGELL's twelve salespeople, including  
Jose Cabrera, Dene Molina, Jonathan Montenegro, Adalino Perez,  
and Henry Saldivar, in violation of Regulation 2726. This  
conduct and violation are also cause to suspend or revoke

1 RANGELL's licenses and license rights under Sections 10177(d) and  
2 10177(h) of the Code.

3 10

4 The audit examination revealed that RANGELL failed to  
5 notify the Department of the termination of licensee Lillian  
6 Nevarez, as required by Section 10161.8 of the Code and Section  
7 2752 of the Regulations. This conduct is cause to suspend or  
8 revoke the license and license rights of the Respondent RANGELL  
9 under the provisions of Section 10177(d) of the Code.

10 11

11 The overall conduct of Respondent RANGELL constitutes  
12 negligence or incompetence. This conduct and violation are cause  
13 for the suspension or revocation of his real estate license and  
14 license rights under Section 10177(g) of the Code.

15 12

16  
17 FACTS IN AGGRAVATION

18 The audit examination revealed that RANGELL dba Re/Max  
19 Southeast Escrow Division conducted escrows for the Angeles  
20 Sanchez, Juan Reyna, Krista Robinson, and Romero Santos,  
21 transactions when RANGELL was not a party to the escrow. RANGELL  
22 therefore engaged in conducting unauthorized third party escrows,  
23 not exempt from the provisions of California Financial Code  
24 Section 17006(a)(4). RANGELL accepted an escrow fees in the  
25 amount of \$950 each for the Angeles Sanchez, Juan Reyna, and  
26 Krista Robinson escrows and a \$999.84 fee for the Romero Santos  
27 escrow where RANGELL had not referred either the buyer or seller,



*Sacto files*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

**FILED**  
MAR 13 2001

DEPARTMENT OF REAL ESTATE

*In the Matter of the Accusation of*

DERIC ANDREW RANGELL,

}

By *L. Medehelf*

Case No. H-28946 LA

OAH No. L- 2001020364

Respondent

**NOTICE OF HEARING ON ACCUSATION**

*To the above named respondent:*

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 320 W. Fourth St., Ste. 630, Los Angeles, CA on May 2, 2001, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

DEPARTMENT OF REAL ESTATE

Dated: March 13, 2001

By *Frank M. Buda*

Counsel

cc: Deric Andrew Rangell  
Frank M. Buda, Esq.  
Sacto  
OAH  
CW

kw

*Actual Filed*

ELLIOTT MAC LENNAN, Counsel, SBN 66674  
Department of Real Estate  
320 W. 4th Street, Suite 350  
Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (Direct)  
-or- (213) 576-6982 (Office)

**FILED**  
JAN 31 2001  
DEPARTMENT OF REAL ESTATE

By *K. Kreberholt*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \* \*

In the Matter of the Accusation of )	)	
DERIC ANDREW RANGELL,	)	
	)	No. H-28946 LA
Respondent.	)	<b>A C C U S A T I O N</b>

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, acting in his official capacity, for cause of accusation against DERIC ANDREW RANGELL dba Re/Max Southeast, is informed and alleges as follows:

1

DERIC ANDREW RANGELL (RANGELL), sometimes referred to as Respondent, is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code).

2

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

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At all times mentioned, RANGELL was licensed or had license rights issued by the Department of Real Estate (Department) as a real estate broker. On January 8, 1999, RANGELL was originally licensed as a real estate broker.

At all times mentioned, in the City of Downey, County of Los Angeles, RANGELL acted as real estate broker within the meaning of:

A. Section 10131(a) of the Code in that he operated a residential real estate resale business with the public wherein, on behalf of others and for compensation or in expectation of compensation, he sold or offered to sell, bought or offered to buy, solicited prospective sellers or purchasers of, solicited or obtained listings of, or negotiated the purchase, sale or exchange of real property; and,

B. In addition, RANGELL conducted broker controlled escrows through his escrow company Re/Max Southeast Escrow Division under the exemption set forth in Section 17006(a)(4) of the California Financial Code for real estate brokers performing escrows incidental to a real estate transaction where the broker is a party and where is performing acts for which a real estate license is required.

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At all times mentioned, in connection with the activities described in Paragraph 4, RANGELL accepted or received funds in trust (trust funds) from or on behalf of actual or prospective buyers and sellers. Thereafter RANGELL made disposition of such funds. RANGELL maintained the following trust account into which he deposited certain of these funds:

"Re/Max Southeast Escrow Trust Account  
Account No. 1891102277"  
Commercia Bank - California  
Torrance, California

On October 25, 2000, the Department completed an audit examination of the books and records of RANGELL pertaining to the activities described in Paragraphs 4 and 5 that require a real estate license. The audit examination covered a period of time beginning on January 8, 1999 and terminating on June 30, 2000. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs.

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

(a) Permitted, allowed or caused the disbursement of trust funds from the escrow trust account where the disbursement of funds reduced the total of aggregate funds in the trust account, to an amount which, on June 30, 2000, was \$36,479:65 less than the existing aggregate trust fund liability of RANGELL to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds,

1 as required by Section 10145 of the Code and Sections 2832.1,  
2 2950(g), and 2951 of the Regulations. This shortage was cured on  
3 July 31, 2000;

4 (b) Failed to maintain a complete and accurate  
5 control record in the form of a columnar record in chronological  
6 order of all trust funds received, as required by Sections 2831,  
7 2950(d) and 2951 of the Regulations;

8 (c) Failed to maintain an adequate and correct  
9 separate record for each beneficiary or transaction, thereby  
10 failing to account for all trust funds received, deposited into,  
11 and disbursed from the escrow trust account, as required by  
12 Sections 2831.1 and 2951 of the Regulations;

13 (d) Failed to place trust funds into a trust fund  
14 account in the name of the broker as trustee, as required by  
15 Sections 2832 and 2951 of the Regulations;

16 (e) Permitted unlicensed and unbonded persons Tracey  
17 Rangell, Lucilla Castellon and Tania Altamirano to be authorized  
18 signatories on the trust account, in violation of Sections 2834  
19 and of the Regulations;

20 (f) Conducted licensed activities on behalf of Re/Max  
21 Southeast without holding a license bearing said fictitious  
22 business name, in violation of Regulation 2731; and

23 (g) On August 4, 2000, August 28, 2000 and September  
24 21, 2000, a departmental auditor requested fifty-seven escrow  
25 files from Respondent, six beneficiary separate records, bank  
26 records for the period of March 23, 1999 to June 30, 2000,  
27 including a bank signature card, bank statements and cancelled





1 checks for the trust account. Respondent RANGELL failed make  
2 available the requested records of his activity requiring a real  
3 estate license during the audit period in violation of Section  
4 10148 of the Code and Section 2950(e) of the Regulations.

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7 The conduct of Respondent RANGELL, described in  
8 Paragraph 7, above, violated the Code and the Regulations as set  
9 forth below:

10 PARAGRAPH

PROVISIONS VIOLATED

11 7(a)

12 Section 10145 of the Code and  
13 Sections 2832.1, 2950(g), and  
14 2951 of the Regulations

15 7(b)

16 Section 10145 of the Code and  
17 Sections 2831, 2950(d), and  
18 2951 of the Regulations

19 7(c)

20 Section 10145 of the Code and  
21 Sections 2831.1, and  
22 2951 of the Regulations

23 7(d)

24 Section 10145 of the Code and  
25 Sections 2832, and  
26 2951 of the Regulations

27 7(e)

Section 10145 of the Code and  
Sections 2834, and



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7(f) Section 2731 of the Regulations

7(g) Section 10148 of the Code and  
Section 2950(e) of the Regulations

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of RANGELL under the provisions of Section 10177(d) of the Code and Section 10148 of the Code where noted above in Paragraphs 6(g) and 7(g).

9

The audit examination also revealed that RANGELL failed to initiate and maintain signed written Broker-Salesperson agreements with seven of RANGELL's twelve salespeople, including Jose Cabrera, Dene Molina, Jonathan Montenegro, Adalino Perez, and Henry Saldivar, in violation of Regulation 2726. This conduct and violation are also cause to suspend or revoke RANGELL's licenses and license rights under Sections 10177(d) and 10177(h) of the Code.

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The audit examination revealed that RANGELL failed to notify the Department of the termination of licensee Lillian Nevarez, as required by Section 10161.8 of the Code and Section 2752 of the Regulations. This conduct is cause to suspend or revoke the license and license rights of the Respondent RANGELL under the provisions of Section 10177(d) of the Code.

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The audit examination revealed that RANGELL dba Re/Max Southeast Escrow Division conducted escrows for the Angeles Sanchez, Juan Reyna, Krista Robinson, and Romero Santos, transactions when RANGELL was not a party to the escrow. RANGELL therefore engaged in conducting unauthorized third party escrows, not exempt from the provisions of California Financial Code Section 17006(a)(4). RANGELL accepted an escrow fees in the amount of \$950 each for the Angeles Sanchez, Juan Reyna, and Krista Robinson escrows and a \$999.84 fee for the Romero Santos escrow where RANGELL had not referred either the buyer or seller, participated in the negotiations for the purchase and sale, nor received a commission for the sale of the respective properties pertaining to these four escrows. This conduct is cause to suspend or revoke the real estate license and license of RANGELL under the provisions of Section 10177(g) of the Code.

The overall conduct of Respondent RANGELL constitutes negligence or incompetence. This conduct and violation are cause for the suspension or revocation of his real estate license and license rights under Section 10177(g) of the Code.

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