

1 Department of Real Estate
2 320 West 4th Street, Ste. 350
3 Los Angeles, California 90013-1105

4 Telephone: (213) 576-6982

FILED
JUN 25 2002

DEPARTMENT OF REAL ESTATE

By *K. M. ...*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 To:)
12)
13 PRUDENTIAL VP CORPORATION;)
14 doing business as Prudential)
15 Monte Vista Realtors and The)
16 Prudential American Realty BRIJ)
17 SOOD, individually and as)
18 designated officer of)
19 Prudential VP Corporation)
20)
21)
22)
23)
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25)
26)
27)

No. H-29570 LA
ORDER TO DESIST
AND REFRAIN

19 The Real Estate Commissioner of the State of California
20 (hereinafter "Commissioner") has caused an investigation to be
21 made of you, PRUDENTIAL VP CORPORATION, doing business as
22 Prudential Monte Vista Realtors, Vista Realtors and The
23 Prudential American Realty and you, BRIJ SOOD, and based upon the
24 findings of that investigation, as set forth below, is of the
25 opinion that you violated Sections 10145, 10159.5, 10160 and
26 10161.8 of the California Business and Professions Code

1 (hereinafter "Code") and Sections 2725, 2726, 2731, 2752, 2753,
2 2831, 2831.1, 2832, 2832.1, 2950(d), 2950(f), 2950(g) and 2951 of
3 Title 10, Chapter 6, California Code of Regulations (hereinafter
4 "Regulations"). In addition, you, BRIJ SOOD (hereinafter
5 "SOOD"), have violated Code Section 10159.2. Furthermore, you,
6 PRUDENTIAL VP CORPORATION (hereinafter "PRUDENTIAL"), have
7 violated California Financial Code Section 17006(a)(4).

8 1.

9 At all times material herein, you, PRUDENTIAL VP
10 CORPORATION, were and now are licensed by the Department of Real
11 Estate of the State of California (hereinafter "Department") as a
12 corporate real estate broker through SOOD as the designated
13 officer and broker responsible, pursuant to the provisions of
14 Code Section 10159.2, for supervising the activities requiring a
15 real estate license conducted on behalf of PRUDENTIAL by
16 PRUDENTIAL's officers, agents and employees.

17 2.

18 At all times mentioned herein, you, SOOD, were and now
19 are licensed by the Department as a real estate broker,
20 individually and as the designated officer of PRUDENTIAL. As the
21 designated broker-officer, you, SOOD, are and at all times
22 material herein were responsible for the supervision of the
23 activities of the officers, agents and employees of PRUDENTIAL
24 for which a license is required pursuant to Code Section 10159.2.

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1 3.

2 All further references to "you" include the parties
3 identified in Paragraphs 1 and 2 above, and also include the
4 officers, directors, employees, agents and real estate licensees
5 employed by or associated with said parties and who at all times
6 herein mentioned were engaged in the furtherance of the business
7 or operations of said parties and who were acting within the
8 course and scope of their authority and employment.
9

10 4.

11 At all times herein mentioned, you, PRUDENTIAL, engaged
12 in the business of, acted in the capacity of, advertised or
13 assumed to act as a real estate broker in the State of
14 California, within the meaning of Code Section 10131(a) as a
15 residential resale broker. In addition, you, PRUDENTIAL, conduct
16 broker controlled escrows through your escrow division, American
17 Realty Escrow Division, under the exemption set forth in Section
18 17006(a)(4) of the California Financial Code for real estate
19 brokers performing escrows incidental to a real estate
20 transaction where the broker is a party and performing acts for
21 which a real estate license is required.

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1 trust fund disbursements journal with respect to earnest money
2 deposits forwarded to escrow or returned to buyers on canceled
3 offers, in violation of Code Section 10145 and Regulation 2831.

4 (b) Failed to place trust funds, including earnest
5 money deposits, accepted on behalf of another into the hands of
6 the owner of the funds, a neutral escrow depository or into a
7 trust fund account in the name of the trustee at a bank or other
8 financial institution not later than three business days
9 following receipt of the funds by the broker or by the broker's
10 salesperson, in violation of Code Section 10145 and Regulation
11 2832.

12 (c) Used the fictitious names of "Prudential California
13 Realty" "Prudential California" "Prudential Cobal Realtors"
14 "Prudential Cobal" and "Prudential Cobal Realtors Inc." to
15 conduct residential resale activities on behalf of PRUDENTIAL
16 without holding licenses bearing these fictitious business names,
17 in violation of Code Section 10159.5 and Regulation 2731.

18 (d) Failed to maintain signed written Broker-Salesman
19 agreements with 32 of PRUDENTIAL's 43 salespeople, in violation
20 of Regulation 2726.

21 (e) Failed to notify the Department of the employment
22 of real estate salespersons Jose Mendez, William Duenas, Graciela
23 Fransworth, and Rogelio Hernandez, licensed to PRUDENTIAL. And
24 additionally failed to notify the Department of the termination
25 of real estate salespersons Javier Castillo, Jorge Palma, and
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27

1 Tonirose Medinilla, in violation of Code Section 10161.8 and
2 Regulation 2752; and

3 (f) Failed to retain the salesperson's license
4 certificates for real estate salespersons Alfonso Figueroa,
5 Carolina Schmeisser, Graciela Fransworth, Delfina Martinez, Frank
6 Mastroianni, and Louis Vivanco, in violation of Code Section
7 10160 and Regulation 2753.

8 BROKER ESCROW AUDIT

9 8.

10 On or about March 22, 2002, the Department completed an
11 examination of your books and records, PRUDENTIAL, pertaining to
12 the activities described in Paragraph 4, above. The audit
13 examination revealed violations of the Code and the Regulations
14 as set forth below and more fully discussed in Audit Report LA
15 010326 [Broker Escrow] and exhibits/workpapers attached to said
16 audit report.

17 9.

18 The audit examination determined that, in connection
19 with the broker-controlled escrow activities described in
20 Paragraph 4, above, you, PRUDENTIAL, accepted or received funds,
21 including funds in trust ("trust funds") from or on behalf of
22 actual or prospective parties to transactions handled by you and
23 thereafter made deposit or disbursement of such funds. From time
24 to time herein mentioned, said trust funds were deposited and/or
25 maintained by you in a bank account at:
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1 "Prudential VP Corporation DBA: American Realty Escrow Division
2 (hereinafter "Escrow Trust Account")
3 Account No. 1891614826/31-023130"
4 Commercica/Imperial Bank
5 9920 La Cienega Blvd.
6 Inglewood, CA 90301-4537

10. 7

8 In the course of activities described in Paragraphs 4
9 and 9, and during the examination period described in Paragraph
10 8, you, PRUDENTIAL, acted in violation of the Code and the
11 Regulations in that:

12 (a) Permitted, allowed, or caused a deficit to
13 accumulate in the escrow trust account, which on December 31,
14 2001, was in the amount of \$93,345.43, in violation of Code
15 Section 10145 and Regulations 2832.1, 2950(d), 2950(g) and 2951.
16 The principal cause of this trust fund shortage was conversion by
17 PRUDENTIAL's president and owner, Vijay Patel, and PRUDENTIAL
18 employees senior escrow officer Lisa Magana and escrow officer
19 Virginia Abitia. However, the full allocation of this deficit
20 could not be accurately determined due to your failure to
21 maintain adequate records as described below.

22 (b) Failed to maintain a complete and accurate formal
23 trust fund receipts journal for earnest money deposits and a
24 formal trust fund disbursements journal with respect to the funds
25 deposited in the escrow trust account, or other records of the
26 receipt and disposition of trust funds accepted in trust and
27 deposited in said accounts by you as required by Code Section
10145 and Regulations 2831 and 2951.

1 (c) Failed to maintain a complete and accurate separate
2 record for each beneficiary or transaction, thereby accounting
3 for all trust funds received in the form of earnest money
4 deposits and then deposited or disbursed from the escrow trust
5 account in violation of Code Section 10145 and Regulations 2831.1
6 and 2951.

7 (d) Failed to deposit trust funds into the escrow trust
8 account before the end of the next business day as required by
9 Code Section 10145 and Regulations 2832 and 2950(f).

10 (e) Permitted unlicensed and unbonded persons, Robert
11 Virga, a licensee not licensed to PRUDENTIAL and Vijay Patel to
12 be an authorized signatories on the escrow trust account, in
13 violation of Code Section 10145 and Regulations 2834 and 2951.
14 Sood, the designated officer, was not a signatory on the trust
15 account.

16 (f) Used the fictitious name of "American Realty Escrow
17 Division" to conduct broker escrow activity on behalf of
18 PRUDENTIAL without holding a license bearing this fictitious
19 business name, in violation Regulation 2731.

20 (g) Conducted five third party mortgage loan refinance
21 escrows (Delgado - #21148-LM) (Eleda - #21170-LM) (Penitar -
22 #21213-VA) (Castanon - 21060-LM) (Coker - #21242-LM in violation
23 of Section 17006 of the California Financial Code; and

24 (h) Made an unauthorized disbursement of trust funds in
25 the form of an insurance reimbursement check in the amount of
26 \$899 payable to Alex Perez, former salesperson of PRUDENTIAL.
27 Perez' check was deposited into the escrow trust account and

1 ultimately paid out to PRUDENTIAL's escrow officer, Virginia
2 Abitia, in violation of Regulation 2950(g).

3 (i) The audit examination also revealed that SOOD, as
4 designated officer of PRUDENTIAL, had no system in place for
5 regularly monitoring PRUDENTIAL's compliance with the Real Estate
6 Law or for the supervision of its salespersons, in violation of
7 Code Section 10159.2 and Regulation 2725.

8 11.

9 Your conduct, acts and/or omissions, SOOD, as described
10 herein above, constitute a failure on your part, as the officer
11 designated by a corporate broker licensee, to exercise the
12 supervision and control over the licensed activities of
13 PRUDENTIAL in violation of Code Section 10159.2 and Regulation
14 2725.
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16 NOW, THEREFORE, YOU, PRUDENTIAL VP CORPORATION, AND
17 YOU, BRIJ SOOD, ARE ORDERED TO DESIST AND REFRAIN from performing
18 any of the acts for which a real estate license is required
19 unless and until you are in compliance with Code Sections 10145,
20 10159.5, 10160 and 10161.8 of the California Business and
21 Professions Code (hereinafter "Code") and Regulations 2725, 2726,
22 2731, 2752, 2753, 2831, 2831.1, 2832, 2832.1, 2950(d), 2950(f),
23 2950(g) and 2951.

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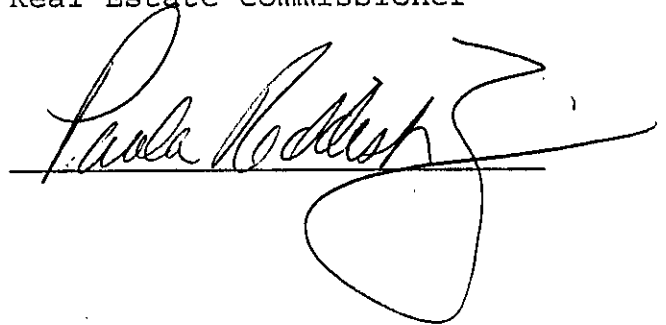
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1 AND FURTHER, YOU, BRIJ SOOD, ARE ORDERED TO DESIST AND
2 REFRAIN from performing any of the acts for which a real estate
3 license is required as the designated officer of a corporation,
4 unless and until you are in compliance with Code Section 10159.2.

5 AND FURTHER, YOU, PRUDENTIAL VP CORPORATION, ARE
6 ORDERED TO DESIST AND REFRAIN from performing any of the acts for
7 which a real estate license is required unless and until you are
8 in compliance with California Financial Code Section 17006(a)(4).

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12 DATED: June 13, 2002.

13
14 PAULA REDDISH ZINNEMANN
15 Real Estate Commissioner

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22 cc: Brij Sood
23 c/o Prudential VP Corporation
24 3124 W. Beverly Blvd.
25 Montebello, CA 90640
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