

1 Department of Real Estate
2 320 West Fourth Street, #350
3 Los Angeles, California 90013

4 (213) 576-6982
5 (213) 576-6907

FILED
OCT 24 2005
DEPARTMENT OF REAL ESTATE

By

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

LRA PROPERTY MANAGEMENT INC., formerly)
1 LRA PROPERTY MANAGEMENT INC., Inc.,)
2 dba LR&A, Inc., LR&A Investments, LRA,)
3 LRA, Inc., LRA PM and LRA Property)
4 Management; and)
5 LRA PROPERTY MANAGEMENT INC.,)
6 individually and as designated)
7 broker-officer of LRA Property)
8 Management Inc., formerly LRA)
9 LRA PROPERTY MANAGEMENT INC. & Associates, Inc.,)

DRE No. H-31831 LA
OAH No. L-2005050160

STIPULATION AND
AGREEMENT

Respondents.)

21 It is hereby stipulated by and between LRA PROPERTY
22 MANAGEMENT INC., formerly LRA PROPERTY MANAGEMENT INC. & Associates,
23 Inc., dba LR&A, Inc., LRA PM, LR&A Investments, LRA Property
24 Management (sometimes referred to herein as "Respondent LR&A");
25 and LRA PROPERTY MANAGEMENT INC., individually and as designated
26 broker-officer of LRA PROPERTY MANAGEMENT INC., formerly
27

1 [REDACTED] & Associates (sometimes referred to herein
2 as "Respondent [REDACTED]"), both represented by Frank M. Euda,
3 Esq., and the Complainant, acting by and through Martha J.
4 Rosett, Counsel for the Department of Real Estate, as follows
5 for the purpose of settling and disposing of the Accusation
6 filed on April 19, 2005 in this matter:

7 1. All issues which were to be contested and all
8 evidence which was to be presented by Complainant and
9 Respondents at a formal hearing on the Accusation, which
10 hearing was to be held in accordance with the provisions of the
11 Administrative Procedure Act (APA), shall instead and in place
12 thereof be submitted solely on the basis of the provisions of
13 this Stipulation and Agreement.

14 2. Respondents have received, read and understand
15 the Statement to Respondent, the Discovery Provisions of the
16 APA and the Accusation filed by the Department of Real Estate
17 in this proceeding.

18 3. On April 28, 2005, Respondents filed Notices of
19 Defense pursuant to Section 11506 of the Government Code for
20 the purpose of requesting a hearing on the allegations in the
21 Accusation. In order to effectuate this settlement,
22 Respondents hereby freely and voluntarily withdraw said Notices
23 of Defense. Respondents acknowledge that they understand that
24 by withdrawing said Notices of Defense, they will thereby waive
25 their rights to require the Commissioner to prove the
26 allegations in the Accusation at a contested hearing held in
27 accordance with the provisions of the APA and that they will

1 waive other rights afforded to them in connection with the
2 hearing such as the right to present evidence in defense of the
3 allegations in the Accusation and the right to cross-examine
4 witnesses.

5 4. Respondents, pursuant to the limitations set
6 forth below, although not admitting or denying the truth of the
7 allegations, will not contest the factual allegations contained
8 in the Accusation filed in this proceeding and the Real Estate
9 Commissioner shall not be required to provide further evidence
10 of such allegations.

11 5. It is understood by the parties that the Real
12 Estate Commissioner may adopt the Stipulation and Agreement as
13 his Decision in this matter, thereby imposing the penalty and
14 sanctions on Respondents' real estate licenses and license
15 rights as set forth in the below "Order". In the event that
16 the Commissioner in his discretion does not adopt the
17 Stipulation and Agreement; it shall be void and of no effect,
18 and Respondents shall retain the right to a hearing and
19 proceeding on the Accusation under all the provisions of the
20 APA and shall not be bound by any stipulation or waiver made
21 herein.

22 6. The Order or any subsequent Order of the Real
23 Estate Commissioner made pursuant to this Stipulation and
24 Agreement shall not constitute an estoppel, merger or bar to
25 any further administrative proceedings by the Department of
26 Real Estate with respect to any matters which were not
27

1 specifically alleged to be causes for accusation in this
2 proceeding.

3 7. This Stipulation and Respondents' decision not to
4 contest the Accusation are made for the purpose of reaching an
5 agreed disposition of this proceeding, and are expressly
6 limited to this proceeding and any other proceeding or case in
7 which the Department of Real Estate, or another licensing
8 agency of this state, another state or if the federal
9 government is involved and otherwise shall not be admissible in
10 any other criminal or civil proceedings.

11 8. Respondents understand that by agreeing to this
12 Stipulation and Agreement, Respondents agree to be jointly and
13 severally liable for payment, pursuant to Section 10148 of the
14 Business and Professions Code, of the cost of the audit which
15 led to this disciplinary action. The amount of said cost is
16 \$6,657.50.

17 9. Respondents have received, read and understand
18 the "Notice Concerning Costs of Audits". Respondents further
19 understand that by agreeing to this Stipulation and Agreement,
20 the findings set forth below in the Determination of Issues
21 become final, and that the Commissioner may charge Respondents
22 for the costs of any subsequent audit conducted pursuant to
23 Section 10148 of the Business and Professions Code to determine
24 if the violations have been corrected. The maximum cost of
25 said audit will not exceed \$6,657.50.

26 ///

27 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
84

2

3
4
5
6
7

1 and the Commissioner. The suspension shall remain in effect
2 until payment is made in full or until Respondents enter into
3 an agreement satisfactory to the Commissioner to provide for
4 payment, or until a decision providing otherwise is adopted
5 following a hearing held pursuant to this condition.

6 DATED:

9/29/05

Martha J. Rosett

MARTHA J. ROSETT
Counsel for Complainant

* * *

9 We have read the Stipulation and Agreement, have
10 discussed it with our counsel, and its terms are understood by
11 us and are agreeable and acceptable to us. We understand that
12 we are waiving rights given to us by the California
13 Administrative Procedure Act (including but not limited to
14 Sections 11506, 11508, 11509 and 11513 of the Government Code),
15 and we willingly, intelligently and voluntarily waive those
16 rights, including the right of requiring the Commissioner to
17 prove the allegations in the Accusation at a hearing at which
18 we would have the right to cross-examine witnesses against us
19 and to present evidence in defense and mitigation of the
20 charges.
21

22 Respondents may signify acceptance and approval of the
23 terms and conditions of this Stipulation and Agreement by faxing
24 a copy of its signature page, as actually signed by Respondents,
25 to the Department at the following fax number (213) 576-6917.
26 Respondents agree, acknowledge and understand that by
27

1 electronically sending to the Department a fax copy of their
2 actual signatures as they appear on the Stipulation, that receipt
3 of the faxed copy by the Department shall be as binding on
4 Respondents as if the Department had received the original signed
5 Stipulation and Agreement.

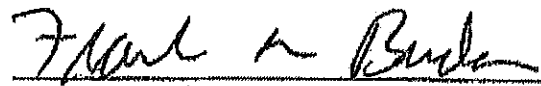
6
7 DATED: 9/18/05


Respondent

8
9
10 DATED: 9/18/05


[Redacted], as
designated broker-officer, on
behalf of Respondent LRA PROPERTY
MANAGEMENT INC.

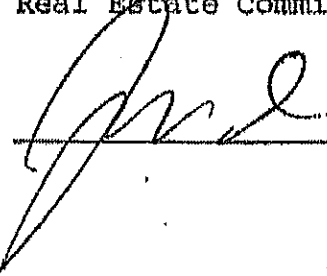
11
12
13
14 DATED: 9-12-05


Frank M. Buda, Esq.
Counsel for Respondent

15
16
17 * * *

18 The foregoing Stipulation and Agreement is hereby
19 adopted as my Decision in this matter and shall become
20 effective at 12 o'clock noon on November 23, 2005;

21 IT IS SO ORDERED 10-12-05

22 JEFF DAVI
23 Real Estate Commissioner
24
25 
26
27

Sack
Hoe

FILED
APR 19 2005
DEPARTMENT OF REAL ESTATE

MARTHA J. ROSETT, Counsel (SBN 142072)
Department of Real Estate
320 West Fourth St., #350
Los Angeles, CA 90013

By Laura B. Olson

(213) 576-6982
(213) 576-6907

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of	)	No. H-31831 LA
LRA PROPERTY MANAGEMENT INC., formerly	)	
XXXXXXXXXX & Associates, Inc.,	)	
Dbas LR&A, Inc., LR&A Investments, LRA,	)	
LRA, Inc., LR&PM and LRA Property	)	<u>A C C U S A T I O N</u>
Management, and	)	
XXXXXXXXXX ,	)	
individually and as designated	)	
broker-officer of LRA Property	)	
Management Inc., formerly XXXXXXXXXX	)	
XXXXXXXXXX & Associates, Inc.,	)	
Respondents.	)	

The Complainant, Maria Suarez, a Deputy Real Estate
Commissioner, for cause of Accusation LRA PROPERTY MANAGEMENT
INC., formerly ~~XXXXXXXXXX~~ & Associates, Inc., and
~~XXXXXXXXXX~~, individually and as designated
broker-officer of LRA PROPERTY MANAGEMENT INC., formerly ~~XXXXXXXXXX~~
~~XXXXXXXXXX~~ & Associates, Inc., is informed and alleges as

1 follows:

2
3 1.

4 The Complainant, Maria Suarez, a Deputy Real Estate
5 Commissioner of the State of California, makes this Accusation in
6 her official capacity.

7 2.

8 Respondent LRA PROPERTY MANAGEMENT INC., formerly
9 ~~Respondent LRA PROPERTY MANAGEMENT INC.~~ & Associates, Inc., dba LR&A, Inc., LR&A
10 Investments, LRA, LRA Inc., LRAPM and LRA Property Management
11 (hereinafter "LRA"), is presently licensed and at all times
12 relevant herein was licensed under the Real Estate Law, Part 1 of
13 Division 4 of the California Business and Professions Code
14 (hereinafter "Code") as a corporate real estate broker.
15 Respondent has been licensed by the Department of Real Estate of
16 the State of California (hereinafter "Department") as a corporate
17 real estate broker since on or about October 5, 1984. Respondent
18 LRA is authorized to act by and through Respondent ~~Respondent~~
19 ~~Respondent~~ as the designated officer and broker
20 responsible, pursuant to the provisions of Code Section 10159.2
21 for the supervision and control of the activities conducted on
22 behalf of LRA by LRA's officers and employees.

23 3.

24 Respondent ~~Respondent~~ (hereinafter
25 "~~Respondent~~"), is presently licensed and at all times relevant
26 herein was licensed under the Code as a real estate broker.
27

1 Respondent has been licensed since on or before [REDACTED].
2 At all times relevant herein, Respondent [REDACTED] was the
3 broker-officer of LRA designated pursuant to Code Section 10159.2
4 to be responsible for the supervision and control of the
5 activities conducted on behalf of LRA by its officers and
6 employees as necessary to secure full compliance with the Real
7 Estate Law.

8 4.

9 At all times material herein, Respondent LRA and
10 Respondent [REDACTED] were engaged in the business of, acted in
11 the capacity of, advertised or assumed to act as a real estate
12 broker in the State of California within the meaning of Code
13 Sections 10131(b) for another or others in expectation of
14 compensation. Said activity included leasing, renting or
15 offering to lease or rent, and collecting rents on behalf of
16 owners of real property and performing property management
17 activities in relation to those rental units.

18 5.

19 All further references to "Respondents" include
20 Respondents LRA and [REDACTED] and also include the employees,
21 agents and real estate licensees employed by or associated with
22 Respondent LRA and Respondent [REDACTED], who at all times
23 material herein were engaged in the furtherance of the business
24 or operations of said parties and who were acting within the
25 course and scope of their authority, agency or employment.

26 6.

27 During the period between August 1, 2001 through

1 July 31, 2002, in connection with the aforesaid property
2 management activities, Respondents accepted or received funds,
3 including funds in trust (hereinafter "trust funds") from or on
4 behalf of actual and prospective tenants and owners of
5 residential properties and made deposits and/or disbursements of
6 such funds. From time to time herein mentioned, said trust funds
7 were deposited into trust accounts maintained by Respondents,
8 identified as follows:

9 1. Account No. [REDACTED], entitled, "LRA Inc. Trust"
10 (hereinafter referred to as "Trust Account #1"), Verdugo
11 Banking Co., 400 N. Brand Blvd., Glendale, CA 91203. This
12 account was identified by Respondents as the main account
13 for the deposit and disbursement of rents received on behalf
14 of the property owners. Respondent [REDACTED] was the sole
15 signatory on this account.

16 2. Account No. [REDACTED], entitled, "LRA Glenfed
17 Trust" (hereinafter referred to as "Trust Account #2"),
18 Verdugo Banking Co., 400 N. Brand Blvd., Glendale, CA 91203.
19 This account was used for the deposit and disbursement of
20 rents received on behalf of the property owners. Respondent
21 [REDACTED] was the sole signatory on the account.

22 3. Account No. [REDACTED], "LRA, Inc. ITF Greene
23 Properties," (hereinafter referred to as "Trust Account #3"),
24 Verdugo Banking Co., 400 N. Brand Blvd., Glendale, CA 91203.
25 This account was used for the deposit and disbursement of
26 rents received on behalf of the property owners. Respondent
27 [REDACTED] was the sole signatory on the account.

1 4. Account No. [REDACTED] &
2 Associates Inc., Manager LRA, Incorporated In Trust for
3 Various Trical Properties," (hereinafter referred to as
4 "Trust Account #4), Pacific Western Bank (formerly Marathon
5 National Bank), 11150 Olympic Blvd., Los Angeles, CA 90067.
6 This account was used for the deposit and disbursement of
7 rents received on behalf of the property owners. Respondent
8 [REDACTED] was the sole signatory on the account.

9 5. Account No. [REDACTED] &
10 Associates Inc, Manager LRA, Incorporated in Trust for
11 Various Plotkin (hereinafter referred to as "Trust Account,
12 #5), Pacific Western Bank (formerly Marathon National Bank),
13 11150 Olympic Blvd., Los Angeles, CA 90067. This account
14 was used for the deposit and disbursement of rents received
15 on behalf of the property owners. Respondent [REDACTED] was
16 the sole signatory on the account.

17 6. Account No. [REDACTED] "Paul Plotkin, Manager LRA
18 INC., In Trust For Various Paul Plotkin Account,"
19 (hereinafter referred to as "Trust Account #6), Pacific
20 Western Bank (formerly Marathon National Bank), 11150
21 Olympic Blvd., Los Angeles, CA 90067. This account, a money
22 market account, was used for the benefit of Paul Plotkin
23 only, to deposit and disburse rents received on his behalf
24 and to earn interest as well. Respondent [REDACTED] was the
25 sole signatory on the account.

26 7. Account No. [REDACTED] &
27 Associates Inc., DBA LRA, Inc. ITF Various Green

1 Properties," (hereinafter referred to as "Trust Account #7),
2 First Regional Bank, 655 Central Ave. #1500, Glendale, CA
3 91203. This account was used for the deposit and
4 disbursement of rents received on behalf of the Green
5 property owners only. Respondent [REDACTED] was the sole
6 signatory on the account.

7 8. Account No. [REDACTED] "LRA, Inc. Disbursement
8 Acct.," (hereinafter referred to as "Disbursement Account"),
9 Verdugo Banking Co., 400 N. Brand Blvd., Glendale, CA 91203.
10 This account was used for the day to day activities of LR&A
11 Inc. and to deposit and disburse rents received on behalf of
12 the property owners. All properties in this account are
13 either fully and/or partially owned by Respondent
14 [REDACTED]. His ownership is either as individual, with
15 other individuals, or as a general partner in a Limited
16 Liability Partnership. [REDACTED] was the sole signatory on
17 the account.

18 9. Account No. [REDACTED] "LRA, Inc.," (hereinafter
19 referred to as "Operating Account"), Verdugo Banking Co.,
20 400 N. Brand Blvd., Glendale, CA 91203. This account was
21 used for the general operation of LR&A Inc. Respondent
22 [REDACTED] was the sole signatory on the account.

23 7.

24 On or about January 31, 2003, the Department completed
25 its examinations of Respondent LRA's books and records,
26 pertaining to the real estate activities described in Paragraphs
27 4 and 6 above, covering a period from approximately August 1,

1 2001 through July 31, 2002. The primary purpose of the
2 examinations was to determine Respondent's compliance with the
3 Real Estate Law. The examination, Audit No. LA 020086, revealed
4 violations of the Code and of Title 10, Chapter 6, California
5 Code of Regulations ("Regulations"), as set forth below, and as
6 more specifically set forth in the audit report and attached
7 exhibits.

8 8.

9 In the course of activities described in Paragraphs 4
10 and 6 above, and during the examination period described in
11 Paragraph 7, Respondents acted in violation of the Code and the
12 Regulations in that:

13 a) Examination of Trust Account #1 revealed that on as
14 of May 31, 2002, there was a shortage of \$81,176.77 and as
15 of July 31, 2002, there was a shortage of \$50,319.16. These
16 shortages reflected that trust funds for multiple
17 beneficiaries were not handled properly, in violation of
18 Code Section 10145 and Regulation 2832.1.

19 b) As of July 31, 2002, Respondents' control records
20 for Trust Account #1 were not accurate in terms of the date
21 of receipt of the trust funds collected (rents), and the
22 deposit dates stated in the monthly bank statement for Trust
23 Account #1 did not match the dates in the collection report
24 sheet. Failure to maintain accurate control records of the
25 trust funds collected and deposited in the broker's trust
26 account was in violation of Code Section 10145 and
27 Regulation 2831.

1 c) Two bank accounts, the "Disbursement Account," and
2 the "Operating Account," were not identified as trust
3 accounts, even though trust funds in the form of rents were
4 deposited into them. In addition, monthly rents collected
5 were held beyond three business days. These are violations
6 of Code Section 10145 and Regulation 2832.

7 d) Separate records of the trust funds collected and
8 deposited into Trust Account #1 were not accurate in that
9 the date of receipt of the trust funds collected did not
10 match dates stated in the collection report sheets and
11 monthly bank statement. This was in violation of Code
12 Section 10145 and Regulation 2831.1.

13 e) A monthly written reconciliation of the columnar
14 records to the separate records was not maintained, in
15 violation of Code Section 10145 and Regulation 2831.2.

16 f) Respondent ~~XXXXXXXXXX~~ mixed the corporation's funds
17 with the trust funds in the corporation's "Disbursement
18 Account" (listed in Paragraph 6 (8) above), and transferred
19 trust funds for the property manager salary from Trust
20 Account #1 to the "Operating Account" (listed in Paragraph
21 6(9) above). This commingling is in violation of Code
22 Section 10176(e).

23 g) Respondents were conducting property management
24 activities in the branch office located at 3916 Sepulveda
25 Blvd., Culver City, CA without having a branch office
26 license, in violation of Code Section 10163.

27 h) Respondent used one unlicensed fictitious business

1 name, "LRA" while conducting its real estate activities, in
2 violation of Regulation 2731.

3 The foregoing violations constitute cause for the
4 suspension or revocation of Respondent LRA and Respondent
5 [REDACTED]'s real estate licenses and license rights under the
6 provisions of Code Sections 10177(d), 10176(e), 10165 and/or
7 10177(g).

8 Failure to Supervise

9 9.

10 The acts, conduct and omissions set forth in Paragraph
11 8 above constitute grounds to discipline Respondent [REDACTED]'s
12 license and license rights as the broker-officer designated to be
13 responsible for failing to supervise the activities of Respondent
14 LRA pursuant to Code Section 10177(h), 10177(d) and/or 10177(g)
15 for violation of Code Section 10159.2.

16 ///

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

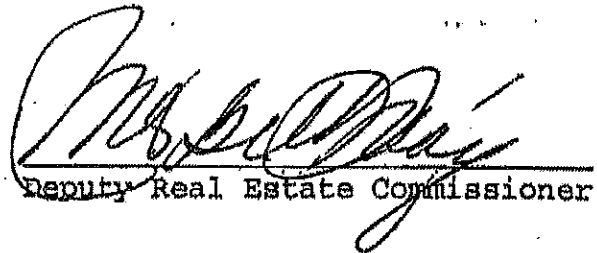
27 ///

1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and/or license rights of Respondent
5 LRA PROPERTY MANAGEMENT INC., formerly [REDACTED] &
6 Associates, Inc., and Respondent [REDACTED] under
7 the Real Estate Law and for such other and further relief as may
8 be proper under applicable provisions of law.

9 Dated at Los Angeles, California

10 this 18th day of April, 2005.

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27


Deputy Real Estate Commissioner

cc:

[REDACTED]
LRA Property Management Inc.
Sacto.
Maria Suarez
Audits