FILED

APR 14 2011

DEPARTMENT OF REAL ESTATE
BY: [signature]

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

Telephone: (213) 576-6982 (office)

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of PCM REALTY & MARKETING INC. doing business as PCM Laguna Hills Resales Leasing, PCM/Laguna Hills Resales, Laguna Woods Properties, Laguna Woods Leasing, Laguna Woods Escrow, Laguna Woods Properties Leasing, and Sears Realty; and RAY RALPH BROCK JR. individually and as former designated officer of PCM Realty & Marketing Inc. Respondents.	No. H-34301 LA STIPULATION AND AGREEMENT

It is hereby stipulated by and between PCM REALTY & MARKETING INC. dba PCM Laguna Hills Resales Leasing, PCM/Laguna Hills Resales, Laguna Woods Properties, Laguna Woods Leasing, Laguna Woods Escrow, Laguna Woods Properties Leasing and Sears Realty (sometimes referred to as "Respondent"), represented by Paul E. Van Hoomissen, Esq. and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Department of Real

Estate, as follows for the purpose of settling and disposing of the First Amended Accusation ("Accusation") filed on November 27, 2007, in this matter:

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

2. Respondent has received, read and understands the Statement to Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate in this proceeding.

3. Respondent filed a Notice of Defense pursuant to Section 11506 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondent hereby freely and voluntarily withdraws said Notice of Defense. Respondent acknowledges that it understands that by withdrawing said Notice of Defense it thereby waives its right to require the Commissioner to prove the allegations in the Accusation at a contested hearing held in accordance with the provisions of the APA and that it will waive other rights afforded to it in connection with the hearing such as the right

to present evidence in its defense of the allegations in the Accusation and the right to cross-examine witnesses.

4. This Stipulation is based on the allegations contained in the Accusation. In the interest of expedience and economy, Respondent chooses not to contest these allegations, but to remain silent and understands that, as a result thereof, these allegations, without being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to herein. The Real Estate Commissioner shall not be required to provide further evidence to prove said allegations.

5. This Stipulation is made for the purpose of reaching an agreed disposition of this proceeding and is expressly limited to this proceeding and any other proceeding or case in which the Department of Real Estate ("Department"), the state or federal government, or any agency of this state, another state or federal government is involved, and otherwise shall not be admissible in any other criminal or civil proceedings.

6. It is understood by the parties that the Real Estate Commissioner may adopt this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on Respondents real estate licenses and license rights as set forth in the "Order" herein below. In the event that the Commissioner, in his discretion, does not adopt the Stipulation, it shall be void and of no effect and Respondents shall retain the right to

a hearing and proceeding on the Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver made herein.

7. The Order or any subsequent Order of the Real Estate Commissioner made pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further administrative or civil proceedings by the Department of Real Estate with respect to any matters which were not specifically alleged to be causes for Accusation in this proceeding but do constitute a bar, estoppel and merger as to any allegations actually contained in the Accusation against Respondents herein.

8. Respondent understands that by agreeing to this Stipulation, Respondent agrees to pay, pursuant to Business and Professions Code Section 10148, the cost of the audit (LA 060085). The amount of said cost is $6,651.29.

9. Respondent has received, read, and understands the "Notice Concerning Costs of Subsequent Audit". Respondent further understands that by agreeing to this Stipulation, the findings set forth below in the Determination of Issues become final, and the Commissioner <u>may</u> charge Respondent for the cost of any subsequent audit conducted pursuant to Business and Professions Code Section 10148 to determine if the violations have been corrected. The maximum cost of the subsequent audit will not exceed $6,651.29.

DETERMINATION OF ISSUES

By reason of the foregoing, it is stipulated and agreed that the following determination of issues shall be made:

The conduct of PCM REALTY & MARKETING INC., as described in Paragraph 4, above, constitutes violations of Business and Professions Code ("Code") Sections 10145 and 10163, and Sections 2831.1 and 2715 of Title 10, Chapter 6, California Code of Regulations. This conduct is a basis for discipline of Respondent's license pursuant to Code Section 10177(d).

ORDER

WHEREFORE THE FOLLOWING ORDER IS HEREBY MADE:

All licenses and licensing rights of Respondent PCM REALTY & MARKETING INC. under the Real Estate Law suspended for a period of thirty (30) days from the effective date of this Decision.

A. Provided, however, that if Respondent requests, said thirty day suspension (or a portion thereof) shall be stayed for two (2) years upon condition that:

1. Respondent pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of $33.33 per day for each day of the thirty day suspension for a total monetary penalty of $1,000.

2. Said payment shall be in the form of a cashier's check or certified check made payable to the Recovery Account of the Real Estate Fund. Said check must be received by the

Department prior to the effective date of the Decision in this matter.

3. No further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision in this matter.

4. If Respondent fails to pay the monetary penalty in accordance with the terms of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension, in which event Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

5. If Respondent pays the monetary penalty and if no further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision, the stay hereby granted shall become permanent.

II.

Pursuant to Section 10148 of the Business and Professions Code, Respondent PCM REALTY & MARKETING INC. shall pay the Commissioner's reasonable cost for (a) the underlying audit (b) a subsequent audit to determine if Respondent is now in compliance with the Real Estate Law. The cost of the audit which led to this disciplinary action is $6,521.29. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. Said amount for the prior and subsequent audits shall not exceed $13,042.58.

Respondent shall pay such cost within 60 days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities.

The Commissioner may suspend the license of Respondent pending a hearing held in accordance with Section 11500, et seq., of the Government Code, if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between the Respondent and the Commissioner. The suspension shall remain in effect until payment is made in full or until Respondent enters into an agreement satisfactory to the Commissioner to provide for payment, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

DATED: 5-28-08

ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

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* * *

EXECUTION OF THE STIPULATION

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

MAILING AND FACSIMILE

Respondent(s) (1) shall mail the original signed signature page of the stipulation herein to Elliott Mac Lennan: Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105. Additionally, Respondent(s) shall also (2) facsimile a copy of signed signature page, to the Department at the following telephone/fax number: (213) 576-6917, Attention: Elliott Mac Lennan.

A facsimile constitutes acceptance and approval of the terms and conditions of this stipulation. Respondent(s) agrees, acknowledges and understands that by electronically sending to the Department a facsimile copy of Respondent's actual signature as it appears on the stipulation, that receipt of the facsimile copy by the Department shall be as binding on Respondent(s) as if the Department had received the original signed stipulation.

DATED: May 29, 2008

Andrew Lloyd Brannen

PCM REALTY & MARKETING INC., a corporate real estate broker,
BY: ANDREW LLOYD BRANNEN, D.O.,
Respondent

DATED: ____________

PAUL E. VAN HOOMISSEN, ESQ.
Attorney for Respondent PCM REALTY & MARKETING INC.
Approved as to form

* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondent PCM REALTY & MARKETING INC. and shall become effective at 12 o'clock noon on ____________, 2008.

IT IS SO ORDERED ____________

JEFF DAVI
Real Estate Commissioner

____

as it appears on the stipulation, that receipt of the facsimile copy by the Department shall be as binding on Respondent(s) as if the Department had received the original signed stipulation.

DATED: ______________

PCM REALTY & MARKETING INC., a
corporate real estate broker,
BY: ANDREW LLOYD BRANNEN, D.O.,
Respondent

DATED: May 29, 2008

PAUL E. VAN HOOMISSEN, ESQ.
Attorney for Respondent PCM REALTY
& MARKETING INC.
Approved as to form

* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondent PCM REALTY & MARKETING INC. and shall become effective at 12 o'clock noon on May 4, 2011

IT IS SO ORDERED 4/8/11,

JEFF DAVI
Real Estate Commissioner

FILED

APR 14 2011

DEPARTMENT OF REAL ESTATE
BY: [signature]

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

Telephone: (213) 576-6982 (office)

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of PCM REALTY & MARKETING INC. doing business as PCM Laguna Hills Resales Leasing, PCM/Laguna Hills Resales, Laguna Woods Properties, Laguna Woods Leasing, Laguna Woods Escrow, Laguna Woods Properties Leasing, and Sears Realty; and RAY RALPH BROCK JR., individually and as former designated officer of PCM Realty & Marketing Inc. Respondents.	No. H-34301 LA STIPULATION AND AGREEMENT

It is hereby stipulated by and between Respondent RAY RALPH BROCK JR., individually and as former designated officer of PCM Realty & Marketing Inc. (sometimes referred to as "Respondent"), and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the First Amended

Accusation ("Accusation") filed on November 27, 2007, in this matter:

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

2. Respondent has received, read and understands the Statement to Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate in this proceeding.

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

4. This Stipulation is based on the allegations contained in the Accusation above. In the interest of expedience and economy, Respondent chooses not to contest these allegations, but to remain silent and understands that, as a result thereof, these allegations, without being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to herein. The Real Estate Commissioner shall not be required to provide further evidence to prove said allegations.

5. This Stipulation and Respondent's decision not to contest the Accusation is made for the purpose of reaching an agreed disposition of this proceeding and is expressly limited to this proceeding and any other proceeding or case in which the Department of Real Estate ("Department"), the state or federal government, or any agency of this state, another state or federal government is involved, and otherwise shall not be admissible in any other criminal or civil proceedings.

6. It is understood by the parties that the Real Estate Commissioner may adopt this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on Respondents real estate licenses and license rights as set forth in the "Order" herein below. In the event that the Commissioner, in his discretion, does not adopt the Stipulation, it shall be void and of no effect and Respondents shall retain the right to

a hearing and proceeding on the Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver made herein.

7. The Order or any subsequent Order of the Real Estate Commissioner made pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further administrative or civil proceedings by the Department of Real Estate with respect to any matters which were not specifically alleged to be causes for Accusation in this proceeding but do constitute a bar, estoppel and merger as to any allegations actually contained in the Accusation against Respondents herein.

8. Respondent understands that by agreeing to this Stipulation, Respondent agrees to pay, pursuant to Business and Professions Code Section 10148, the cost of the audits (LA 060085) which led to this disciplinary action. The amount of said cost is $6,651.29.

9. Respondent has received, read, and understands the "Notice Concerning Costs of Subsequent Audit". Respondent further understands that by agreeing to this Stipulation, the findings set forth below in the Determination of Issues become final, and the Commissioner may charge Respondent for the cost of any subsequent audit conducted pursuant to Business and Professions Code Section 10148 to determine if the violations have been corrected. The maximum cost of the subsequent audit will not exceed $6,651.29.

DETERMINATION OF ISSUES

By reason of the foregoing, it is stipulated and agreed that the following determination of issues shall be made:

The conduct of RAY RALPH BROCK JR., as described in Paragraph 4, above, constitutes violations of Business and Professions Code ("Code") Sections 10145 and 10159.2 and Sections 2831.1 and 2715 of Title 10, Chapter 6, California Code of Regulations. This conduct is a basis for discipline of Respondent's license pursuant to Code Section 10177(d), 10177(g) and 10177(h).

ORDER

All licenses and licensing rights of Respondent RAY RALPH BROCK JR. under the Real Estate Law suspended for a period of thirty (30) days from the effective date of this Decision.

A. Provided, however, that if Respondent requests, said thirty day suspension (or a portion thereof) shall be stayed for two (2) years upon condition that:

1. Respondent pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of $33.33 per day for each day of the thirty day suspension for a total monetary penalty of $1,000.

2. Said payment shall be in the form of a cashier's check or certified check made payable to the Recovery Account of the Real Estate Fund. Said check must be received by the

Department prior to the effective date of the Decision in this matter.

3. No further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision in this matter.

4. If Respondent fails to pay the monetary penalty in accordance with the terms of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension, in which event Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

5. If Respondent pays the monetary penalty and if no further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision, the stay hereby granted shall become permanent.

II.

Pursuant to Section 10148 of the Business and Professions Code, Respondent RAY RALPH BROCK JR. shall pay the Commissioner's reasonable cost for (a) the audit which led to this disciplinary action (b) a subsequent audit to determine if Respondent is now in compliance with the Real Estate Law. The cost of the audit which led to this disciplinary action is $6,521.29. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. Said amount for the prior and subsequent audits shall not exceed $13,042.58.

Respondent shall pay such cost within 60 days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities.

The Commissioner may suspend the license of Respondent pending a hearing held in accordance with Section 11500, et seq., of the Government Code, if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between the Respondent and the Commissioner. The suspension shall remain in effect until payment is made in full or until Respondent enters into an agreement satisfactory to the Commissioner to provide for payment, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

DATED: 5-27-08

ELLIOTT MAC LENNAN, Counsel for the Department of Real Estate

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* * *

EXECUTION OF THE STIPULATION

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

MAILING AND FACSIMILE

Respondent(s) (1) shall mail the original signed signature page of the stipulation herein to Elliott Mac Lennan: Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105. Additionally, Respondent(s) shall also (2) facsimile a copy of signed signature page, to the Department at the following telephone/fax number: (213) 576-6917, Attention: Elliott Mac Lennan.

A facsimile constitutes acceptance and approval of the terms and conditions of this stipulation. Respondent(s) agrees, acknowledges and understands that by electronically sending to the Department a facsimile copy of Respondent's actual signature as it appears on the stipulation, which receipt of the facsimile copy by the Department shall be as binding on Respondent(s) as if the Department had received the original signed stipulation.

DATED: May 28th 2008 Ray Ralph Brock Jr.
RAY RALPH BROCK JR., Respondent

* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondent RAY RALPH BROCK JR. and shall become effective at 12 o'clock noon on

May 4, 2011.

IT IS SO ORDERED 4/8/11.

JEFF DAVI
Real Estate Commissioner

Barbara J. Bigby

BY: Barbara J. Bigby
Chief Deputy Commissioner

Sac.

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

NOV 27 2007

DEPARTMENT OF REAL ESTATE
BY: [signature]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of PCM REALTY & MARKETING INC. doing business as PCM Laguna Hills Resales Leasing, PCM/Laguna Hills Resales, Laguna Woods Properties, Laguna Woods Leasing, Laguna Woods Escrow, Laguna Woods Properties Leasing, and Sears Realty; and RAY RALPH BROCK JR. individually and as former designated officer of PCM Realty & Marketing Inc. Respondents.	No. H-34301 LA FIRST AMENDED ACCUSATION

The Accusation filed on September 14, 2007 is amended in its entirety as follows:

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against PCM REALTY & MARKETING INC. doing business as PCM Laguna Hills Resales Leasing, PCM/Laguna Hills Resales, Laguna Woods

Properties, Laguna Woods Leasing, Laguna Woods Escrow, Laguna Woods Properties Leasing and Sears Realty; and, RAY RALPH BROCK JR. individually and as former designated officer of PCM Realty & Marketing Inc., alleges as follows:

1.

The Complainant, Robin Trujillo, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation against PCM REALTY & MARKETING INC. and RAY RALPH BROCK JR.

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.

LICENSE HISTORY

3.

A. At all times mentioned, PCM REALTY & MARKETING INC. ("PCM") was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On October 18, 2004, PCM was originally licensed as a corporate real estate broker.

B. At all times mentioned, RAY RALPH BROCK JR. ("BROCK") was licensed or had license rights issued by the Department as a real estate broker. On June 8, 1984, BROCK was originally licensed as a real estate broker. On July 1, 2004, BROCK was licensed as the designated officer of PCM until December 29, 2006.

C. At all times mentioned herein, PCM was licensed by the Department as a corporate real estate broker by and through BROCK as the designated officer and broker responsible, pursuant to Code Section 10159.2 of the Business and Professions Code for supervising the activities requiring a real estate license conducted on behalf PCM of by PCM's officers, agents and employees, including BROCK.

BROKERAGE AND LICENSE ACTIVITIES

4.

At all times mentioned, in the City of Laguna Woods, County of Orange, PCM acted as a corporate real estate broker and conducted licensed activities within the meaning of:

A. Code Section 10131(a). Respondents conducted licensed activities as a residential reseller of real property including leasing of properties at Leisure World in Laguna Wood; and,

B. In addition, PCM conducted broker-controlled escrows by and through its escrow division, Laguna Woods Escrow, under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction where the broker is a party and where the broker is performing acts for which a real estate license is required.

AUDIT

5.

On July 31, 2007, the Department completed an audit examination of the books and records of PCM pertaining to the residential resale activities and including leasing of properties at Leisure World in Laguna Wood, as described in Paragraph 4, that require a real estate license. The audit examination covered a period of time beginning on July 1, 2004 to January 31, 2007. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully set forth in Audit Report LA 060085 and the exhibits and workpapers attached thereto.

TRUST ACCOUNTS

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, PCM accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties to transactions including buyers, sellers, property owners and tenants handled by PCM and thereafter made deposits and or disbursements of such funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by PCM in the bank accounts as follows:

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"PCM Realty & Marketing Inc. dba Laguna Woods Leasing Trust Account
9120101347"
Union Bank of California
Laguna Hills, California ("Leasing Trust Account")

"PCM Realty & Marketing Inc. dba Laguna Woods Escrow Escrow Trust Account
9120047555"
Union Bank of California
Laguna Hills, California ("Escrow Trust Account")

VIOLATIONS OF THE REAL ESTATE LAW

7.

In the course of activities described in Paragraphs 4 and 6, above, and during the examination period described in Paragraph 5, Respondents PCM and BROCK acted in violation of the Code and the Regulations in that they:

(a) Permitted, allowed or caused the disbursement of trust funds from the leasing trust account where the disbursement of funds reduced the total of aggregate funds in the trust accounts set forth below, to an amount which was less than the existing aggregate trust fund liability of PCM to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, as required by Code Section 10145 and Regulation 2832.1

- $3,298.00 actual shortage (December 29, 2006)
- $3,223.25 unidentified funds (December 29, 2006)
- $ 74.75 trust account balance (December 29, 2006)

- On March 21, 2007, the shortage, due to overdrawn tenant accounts, was cured.

(b) Failed to maintain a complete and accurate separate record for each beneficiary or transaction, thereby failing to account for all trust funds received, deposited and disbursed by the leasing trust account, as required by Code Section 10145 and Regulation 2831:1.

(c) Failed to perform a monthly reconciliation of the balance of all separate beneficiary or transaction records maintained pursuant to Regulations 2831 and 2831.1 with the record of all trust funds received and disbursed by the leasing trust account, as required by Code Section 10145 and Regulation 2831.2.

(d) Permitted Sharon Clarke and Susan Dugan, unlicensed and unbonded persons, to be authorized signatories on the leasing trust account, in violation of Code Section 2834.

(e) Failed to place trust funds, including security deposits, processing and other fees, accepted on behalf of another into the hands of the owner of the funds, a neutral escrow depository or into a trust fund account in the name of the trustee at a bank or other financial institution not later than three business days following receipt of the funds by the broker or by the broker's salesperson, as required by Code Section 10145 and Regulation 2832(d).

///

(f) Conducted sales and leasing activities at 24361 El Toro Road, Suite 160, Laguna Woods, California 92637, prior to obtaining a branch office license from the Department, in violation of Code Section 10163 and Regulation 2715.

(g) BROCK failed to supervise PCM and had no system in place for regularly monitoring its compliance with the Real Estate Law especially in regard to establishing policies to review trust fund handling and escrow activities, in violation of Code Sections 10159.2, 10177(h) and Regulation 2725.

DISCIPLINARY STATUTES AND REGULATIONS

8.

The conduct of Respondents PCM and BROCK, described in Paragraph 7, above, violated the Code and the Regulations as set forth below:

PARAGRAPH	PROVISIONS VIOLATED
7(a)	Code Section 10145 and Regulation 2832.1
7(b)	Code Section 10145 and Regulation 2831.1
7(c)	Code Section 10145 and Regulation 2831.2

7(d)	Code Section 10145 and Regulation 2834
7(e)	Code Section 10145 and Regulation 2832(d)
7(f)	Code Section 10163 and Regulation 2715
7(g)	Code Sections 10159.2 and 10177(h) and Regulation 2725

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of PCM and BROCK, under the provisions of Code Sections 10177(d) and/or 10177(g) and 10177(h).

NEGLIGENCE

9.

The overall conduct of Respondents PCM and BROCK constitutes negligence or incompetence especially in regard to trust fund handling. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of Respondents pursuant to Code Section 10177(g).

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SUPERVISION AND COMPLIANCE

10.

The overall conduct of Respondent BROCK constitutes a failure on his part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of PCM as required by Code Section 10159.2, and to keep PCM in compliance with the Real Estate Law, and is cause for the suspension or revocation of the real estate license and license rights of BROCK pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against the license and license rights of Respondents PCM REALTY & MARKETING INC. and RAY RALPH BROCK JR., under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California

this 26 day of November 2007

R. Trujillo

Deputy Real Estate Commissioner

cc: PCM Realty & Marketing Inc.
c/o Ray Ralph Brock Jr. former D.O.
Robin Trujillo
Joseph Aiu
Sacto
Audits - Dorcas Cheng

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

SEP 14 2007

DEPARTMENT OF REAL ESTATE
BY: Apley

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of PCM REALTY & MARKETING INC. doing business as PCM Laguna Hills Resales Leasing, PCM/Laguna Hills Resales, Laguna Woods Properties, Laguna Woods Leasing, Laguna Woods Escrow, Laguna Woods Properties Leasing, and Sears Realty; and RAY RALPH BROCK JR. individually and as former designated officer of PCM Realty & Marketing Inc. Respondents.	No. H-34301 LA <u>ACCUSATION</u>

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against PCM REALTY & MARKETING INC. doing business as PCM Laguna Hills Resales Leasing, PCM/Laguna Hills Resales, Laguna Woods Properties, Laguna Woods Leasing, Laguna Woods Escrow, Laguna Woods Properties Leasing and Sears Realty; and, RAY RALPH BROCK

JR. individually and as former designated officer of PCM Realty & Marketing Inc., alleges as follows:

1.

The Complainant, Robin Trujillo, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation against PCM REALTY & MARKETING INC. and RAY RALPH BROCK JR.

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.

LICENSE HISTORY

3.

A. At all times mentioned, PCM REALTY & MARKETING INC. ("PCM") was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On October 18, 2004, PCM was originally licensed as a corporate real estate broker.

B. At all times mentioned, RAY RALPH BROCK JR. ("BROCK") was licensed or had license rights issued by the Department as a real estate broker. On June 8, 1984, BROCK was originally licensed as a real estate broker. On July 1, 2004, BROCK was licensed as the designated officer of PCM until December 29, 2006.

C. At all times mentioned herein, PCM was licensed by the Department as a corporate real estate broker by and through BROCK as the designated officer and broker responsible, pursuant to Code Section 10159.2 of the Business and Professions Code for supervising the activities requiring a real estate license conducted on behalf PCM of by PCM's officers, agents and employees, including BROCK.

BROKERAGE AND LICENSE ACTIVITIES

4.

At all times mentioned, in the City of Laguna Woods, County of Orange, PCM acted as a corporate real estate broker and conducted licensed activities within the meaning of:

A. Code Section 10131(a). Respondents conducted licensed activities as a residential reseller of real property.

B. Code Section 10131(b). Respondents conducted licensed activities as a property manager including leasing real property; and

C. In addition, PCM conducted broker-controlled escrows by and through its escrow division, Laguna Woods Escrow, under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction where the broker is a party and where the broker is performing acts for which a real estate license is required.

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AUDIT

5.

On July 31, 2007, the Department completed an audit examination of the books and records of PCM pertaining to the residential resale and property management activities described in Paragraph 4, that require a real estate license. The audit examination covered a period of time beginning on July 1, 2004 to January 31, 2007. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully set forth in Audit Report LA 060085 and the exhibits and workpapers attached thereto.

TRUST ACCOUNTS

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, PCM accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties to transactions including buyers, sellers, property owners and tenants handled by PCM and thereafter made deposits and or disbursements of such funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by PCM in the bank accounts as follows:

"PCM Realty & Marketing Inc. dba Laguna Woods Leasing Trust Account
9120101347"
Union Bank of California
Laguna Hills, California ("Leasing Trust Account")

"PCM Realty & Marketing Inc. dba Laguna Woods Escrow Escrow Trust Account
9120047555"
Union Bank of California
Laguna Hills, California ("Escrow Trust Account")

VIOLATIONS OF THE REAL ESTATE LAW

7.

In the course of activities described in Paragraphs 4 and 6, above, and during the examination period described in Paragraph 5, Respondents PCM and BROCK acted in violation of the Code and the Regulations in that they:

(a) Permitted, allowed or caused the disbursement of trust funds from the leasing trust account where the disbursement of funds reduced the total of aggregate funds in the trust accounts set forth below, to an amount which was less than the existing aggregate trust fund liability of PCM to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, as required by Code Section 10145 and Regulation 2832.1

- $2,437.00 negative balance (January 31, 2007)
- $3,222.95 unidentified fund (January 31, 2007)
- $ 785.95 trust account balance (January 31, 2007)

On March 21, 2007, the shortage of $2,437.00 was cured.

(b) Failed to maintain a separate record for each beneficiary or transaction, thereby failing to account for all trust funds received, deposited and disbursed by the leasing trust account, as required by Code Section 10145 and Regulation 2831.1.

(c) Failed to perform a monthly reconciliation of the balance of all separate beneficiary or transaction records maintained pursuant to Regulation 2831.1 with the record of all trust funds received and disbursed by the leasing trust account, as required by Code Section 10145 and Regulation 2831.2.

(d)(1) Permitted Sharon Clarke and Susan Dugan, unlicensed and unbonded persons, to be authorized signatories on the leasing trust account;

(d)(2) BROCK remained a signatory on the leasing trust account after January 31, 2007, when he was no longer the designated officer of PCM, in violation of Code Section 2834.

(e) Failed to place trust funds, including security deposits, processing and other fees, accepted on behalf of another into the hands of the owner of the funds, a neutral escrow depository or into a trust fund account in the name of the trustee at a bank or other financial institution not later than three business days following receipt of the funds by the broker or by the broker's salesperson, as required by Code Section 10145 and Regulation 2832(d).

(f) Conducted escrow activities at 24361 El Toro Road, Suite 160, Laguna Woods, California 92637, prior to obtaining a branch office license from the Department, in violation of Code Section 10163 and Regulation 2715.

(g) BROCK failed to supervise PCM and had no system in place for regularly monitoring its compliance with the Real Estate Law especially in regard to establishing policies to review trust fund handling and escrow activities, in violation of Code Sections 10159.2, 10177(h) and Regulation 2725.

DISCIPLINARY STATUTES AND REGULATIONS

8.

The conduct of Respondents PCM and BROCK, described in Paragraph 7, above, violated the Code and the Regulations as set forth below:

PARAGRAPH	PROVISIONS VIOLATED
7(a)	Code Section 10145 and Regulation 2832.1
7(b)	Code Section 10145 and Regulation 2831.1
7(c)	Code Section 10145 and Regulation 2831.2
7(d)	Code Section 10145 and Regulation 2834

7(e)	Code Section 10145 and Regulation 2832(d)
7(f)	Code Section 10163 and Regulation 2715
7(g)	Code Sections 10159.2 and 10177(h) and Regulation 2725

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of PCM and BROCK, under the provisions of Code Sections 10177(d) and/or 10177(g) and 10177(h).

NEGLIGENCE

9.

The overall conduct of Respondents PCM and BROCK constitutes negligence or incompetence especially in regard to trust fund handling. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of Respondents pursuant to Code Section 10177(g).

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SUPERVISION AND COMPLIANCE

10.

The overall conduct of Respondent BROCK constitutes a failure on his part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of PCM as required by Code Section 10159.2, and to keep PCM in compliance with the Real Estate Law, and is cause for the suspension or revocation of the real estate license and license rights of BROCK pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against the license and license rights of Respondents PCM REALTY & MARKETING INC. and RAY RALPH BROCK JR., under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California

this 14th day of Sept, 2007.

Rol Trujillo

Deputy Real Estate Commissioner

cc: PCM Realty & Marketing Inc.
c/o Ray Ralph Brock Jr. former D.O.
Robin Trujillo
Joseph Aiu
Sacto
Audits - Dorcas Cheng