

1 Estate, as follows for the purpose of settling and disposing of
2 the First Amended Accusation ("Accusation") filed on November 27,
3 2007, in this matter:

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

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

15 3. Respondent filed a Notice of Defense pursuant to
16 Section 11506 of the Government Code for the purpose of
17 requesting a hearing on the allegations in the Accusation.
18 Respondent hereby freely and voluntarily withdraws said Notice of
19 Defense. Respondent acknowledges that it understands that by
20 withdrawing said Notice of Defense it thereby waives its right to
21 require the Commissioner to prove the allegations in the
22 Accusation at a contested hearing held in accordance with the
23 provisions of the APA and that it will waive other rights
24 afforded to it in connection with the hearing such as the right
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1 to present evidence in its defense of the allegations in the
2 Accusation and the right to cross-examine witnesses.

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

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

18 6. It is understood by the parties that the Real
19 Estate Commissioner may adopt this Stipulation as his Decision
20 in this matter thereby imposing the penalty and sanctions on
21 Respondents real estate licenses and license rights as set forth
22 in the "Order" herein below. In the event that the Commissioner,
23 in his discretion, does not adopt the Stipulation, it shall be
24 void and of no effect and Respondents shall retain the right to
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1 a hearing and proceeding on the Accusation under the provisions
2 of the APA and shall not be bound by any stipulation or waiver
3 made herein.

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

12 8. Respondent understands that by agreeing to this
13 Stipulation, Respondent agrees to pay, pursuant to Business and
14 Professions Code Section 10148, the cost of the audit (LA
15 060085). The amount of said cost is \$6,651.29.

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

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

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

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

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

18 II.

19 Pursuant to Section 10148 of the Business and
20 Professions Code, Respondent PCM REALTY & MARKETING INC. shall
21 pay the Commissioner's reasonable cost for (a) the underlying
22 audit (b) a subsequent audit to determine if Respondent is now in
23 compliance with the Real Estate Law. The cost of the audit which
24 led to this disciplinary action is \$6,521.29. In calculating the
25 amount of the Commissioner's reasonable cost, the Commissioner
26 may use the estimated average hourly salary for all persons
27

1 performing audits of real estate brokers, and shall include an
2 allocation for travel time to and from the auditor's place of
3 work. Said amount for the prior and subsequent audits shall not
4 exceed \$13,042.58.

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

9 The Commissioner may suspend the license of Respondent
10 pending a hearing held in accordance with Section 11500, et seq.,
11 of the Government Code, if payment is not timely made as provided
12 for herein, or as provided for in a subsequent agreement between
13 the Respondent and the Commissioner. The suspension shall remain
14 in effect until payment is made in full or until Respondent
15 enters into an agreement satisfactory to the Commissioner to
16 provide for payment, or until a decision providing otherwise is
17 adopted following a hearing held pursuant to this condition.
18

19
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21 DATED: 5-28-08

ELIOTT MAC LENNAN
22 ELLIOTT MAC LENNAN, Counsel for
23 the Department of Real Estate
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1 * * *

2 EXECUTION OF THE STIPULATION

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

14 MAILING AND FACSIMILE

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

23 A facsimile constitutes acceptance and approval of the
24 terms and conditions of this stipulation. Respondent(s) agrees,
25 acknowledges and understands that by electronically sending to
26 the Department a facsimile copy of Respondent's actual signature
27

MAY-28-08 WED 05:49 PM

FAX NO.

P. 10/10

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

4
5
6 DATED: May 29, 2008


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

7
8
9
10 DATED: _____

11 PAUL S. VAN HOOMISSEN, ESQ.
12 Attorney for Respondent PCM REALTY
13 & MARKETING INC.
14 Approved as to form

* * *

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

19
20 IT IS SO ORDERED _____

21 JEFF DAVI
22 Real Estate Commissioner
23
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1 as it appears on the stipulation, that receipt of the facsimile
2 copy by the Department shall be as binding on Respondent(s) as if
3 the Department had received the original signed stipulation.
4
5

6 DATED: _____

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

10 DATED: May 29, 2008

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

14 * * *

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

19
20 IT IS SO ORDERED 4/8/11

21
22 JEFF DAVI
Real Estate Commissioner

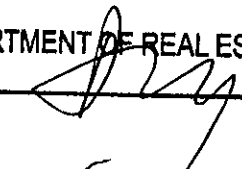
23
24 Barbara J. O'Connell
25
26
27

FILED

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

APR 14 2011

Telephone: (213) 576-6982 (office)

DEPARTMENT OF REAL ESTATE
BY: 

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

No. H-34301 LA

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.

STIPULATION
AND
AGREEMENT

Respondents.

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

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

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

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

14 3. Respondent filed a Notice of Defense pursuant to
15 Section 11506 of the Government Code for the purpose of
16 requesting a hearing on the allegations in the Accusation.
17 Respondent hereby freely and voluntarily withdraws said Notice of
18 Defense. Respondent acknowledges that he understands that by
19 withdrawing said Notice of Defense he thereby waives his right to
20 require the Commissioner to prove the allegations in the
21 Accusation at a contested hearing held in accordance with the
22 provisions of the APA and that he will waive other rights
23 afforded to him in connection with the hearing such as the right
24 to present evidence in his defense of the allegations in the
25 Accusation and the right to cross-examine witnesses.
26

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

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

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

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

12 8. Respondent understands that by agreeing to this
13 Stipulation, Respondent agrees to pay, pursuant to Business and
14 Professions Code Section 10148, the cost of the audits (LA
15 060085) which led to this disciplinary action. The amount of
16 said cost is \$6,651.29.

17 9. Respondent has received, read, and understands the
18 "Notice Concerning Costs of Subsequent Audit". Respondent
19 further understands that by agreeing to this Stipulation, the
20 findings set forth below in the Determination of Issues become
21 final, and the Commissioner may charge Respondent for the cost of
22 any subsequent audit conducted pursuant to Business and
23 Professions Code Section 10148 to determine if the violations
24 have been corrected. The maximum cost of the subsequent audit
25 will not exceed \$6,651.29.
26
27

DETERMINATION OF ISSUES

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

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

ORDER

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

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

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

21 2. Said payment shall be in the form of a cashier's
22 check or certified check made payable to the Recovery Account of
23 the Real Estate Fund. Said check must be received by the
24

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

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

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

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

18
19 II.

20 Pursuant to Section 10148 of the Business and
21 Professions Code, Respondent RAY RALPH BROCK JR. shall pay the
22 Commissioner's reasonable cost for (a) the audit which led to
23 this disciplinary action (b) a subsequent audit to determine if
24 Respondent is now in compliance with the Real Estate Law. The
25 cost of the audit which led to this disciplinary action is
26 \$6,521.29. In calculating the amount of the Commissioner's
27

1 reasonable cost, the Commissioner may use the estimated average
2 hourly salary for all persons performing audits of real estate
3 brokers, and shall include an allocation for travel time to and
4 from the auditor's place of work. Said amount for the prior and
5 subsequent audits shall not exceed \$13,042.58.

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

10 The Commissioner may suspend the license of Respondent
11 pending a hearing held in accordance with Section 11500, et seq.,
12 of the Government Code, if payment is not timely made as provided
13 for herein, or as provided for in a subsequent agreement between
14 the Respondent and the Commissioner. The suspension shall remain
15 in effect until payment is made in full or until Respondent
16 enters into an agreement satisfactory to the Commissioner to
17 provide for payment, or until a decision providing otherwise is
18 adopted following a hearing held pursuant to this condition.
19

20
21 DATED: 5-27-08

ELL
22 ELLIOTT MAC LENNAN, Counsel for
23 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.

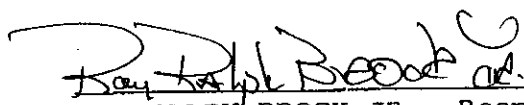
MAILING AND FACSIMILE

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

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

DATED:

MAY 28th 2008
RAY RALPH BROCK JR., Respondent

* * *

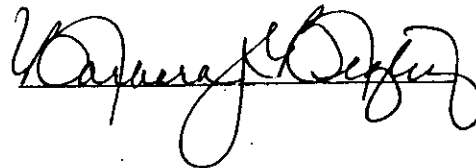
8 The foregoing Stipulation and Agreement is hereby adopted
9 as my Decision as to Respondent RAY RALPH BROCK JR. and shall
10 become effective at 12 o'clock noon on

May 4, 2011.

IT IS SO ORDERED

4/8/11

15 JEFF DAVI
16 Real Estate Commissioner



20 BY: Barbara J. Bigby
21 Chief Deputy Commissioner

Sac
1 ELLIOTT MAC LENNAN, SBN 66674
2 Department of Real Estate
3 320 West 4th Street, Ste. 350
4 Los Angeles, California 90013-1105

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

FILED

NOV 27 2007

DEPARTMENT OF REAL ESTATE

BY: DeLy

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

No. H-34301 LA

12 PCM REALTY & MARKETING INC.)

FIRST AMENDED

13 doing business as PCM Laguna)

14 Hills Resales Leasing, PCM/Laguna)

ACCUSATION

15 Hills Resales, Laguna Woods)

16 Properties, Laguna Woods Leasing,)

17 Laguna Woods Escrow, Laguna Woods)

18 Properties Leasing, and Sears)

19 Realty; and RAY RALPH BROCK JR.)

20 individually and as former)

21 designated officer of PCM Realty)

22 & Marketing Inc.)

23 Respondents.)

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

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

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

5 1.

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

10 2.

11 All references to the "Code" are to the California
12 Business and Professions Code and all references to "Regulations"
13 are to Title 10, Chapter 6, California Code of Regulations.
14

15 LICENSE HISTORY

16 3.

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

22 B. At all times mentioned, RAY RALPH BROCK JR.
23 ("BROCK") was licensed or had license rights issued by the
24 Department as a real estate broker. On June 8, 1984, BROCK was
25 originally licensed as a real estate broker. On July 1, 2004,
26
27

1 BROCK was licensed as the designated officer of PCM until
2 December 29, 2006.

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

10 BROKERAGE AND LICENSE ACTIVITIES

11 4.

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

15 A. Code Section 10131(a). Respondents conducted
16 licensed activities as a residential reseller of real property
17 including leasing of properties at Leisure World in Laguna Wood;
18 and,
19

20 B. In addition, PCM conducted broker-controlled
21 escrows by and through its escrow division, Laguna Woods Escrow,
22 under the exemption set forth in California Financial Code
23 Section 17006(a)(4) for real estate brokers performing escrows
24 incidental to a real estate transaction where the broker is a
25 party and where the broker is performing acts for which a real
26 estate license is required.
27

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:

///

///

1 "PCM Realty & Marketing Inc. dba Laguna Woods Leasing Trust
Account
9120101347"

2 Union Bank of California
3 Laguna Hills, California ("Leasing Trust Account")

4 "PCM Realty & Marketing Inc. dba Laguna Woods Escrow Escrow Trust
5 Account
9120047555"

6 Union Bank of California
7 Laguna Hills, California ("Escrow Trust Account")

8 VIOLATIONS OF THE REAL ESTATE LAW

9 7.

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

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

- 22
- 23 • \$3,298.00 actual shortage (December 29, 2006)
 - 24 • \$3,223.25 unidentified funds (December 29, 2006)
 - 25 • \$ 74.75 trust account balance (December 29, 2006)
- 26
27

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

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

8 (c) Failed to perform a monthly reconciliation of the
9 balance of all separate beneficiary or transaction records
10 maintained pursuant to Regulations 2831 and 2831.1 with the
11 record of all trust funds received and disbursed by the leasing
12 trust account, as required by Code Section 10145 and Regulation
13 2831.2.

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

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

25
26 ///

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

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

10 DISCIPLINARY STATUTES AND REGULATIONS

11 8.

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

15 PARAGRAPH

16 PROVISIONS VIOLATED

17 7(a)

18 Code Section 10145 and Regulation
19 2832.1

20
21 7(b)

22 Code Section 10145 and Regulation
23 2831.1

24
25 7(c)

26 Code Section 10145 and Regulation
27 2831.2

1 7(d) Code Section 10145 and Regulation
2 2834

3
4 7(e) Code Section 10145 and Regulation
5 2832(d)

6
7
8 7(f) Code Section 10163 and Regulation
9 2715

10
11
12 7(g) Code Sections 10159.2 and 10177(h)
13 and Regulation 2725

14 The foregoing violations constitute cause for the suspension or
15 revocation of the real estate license and license rights of PCM
16 and BROCK, under the provisions of Code Sections 10177(d) and/or
17 10177(g) and 10177(h).

18
19 NEGLIGENCE

20 9.

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

26 ///
27

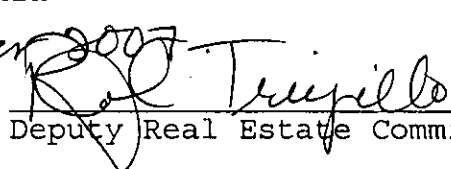
SUPERVISION AND COMPLIANCE

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

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

1 ELLIOTT MAC LENNAN, SBN 66674
2 Department of Real Estate
3 320 West 4th Street, Ste. 350
4 Los Angeles, California 90013-1105

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

FILED

SEP 14 2007

DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

No. H-34301 LA

12 PCM REALTY & MARKETING INC.)
13 doing business as PCM Laguna)
14 Hills Resales Leasing, PCM/Laguna)
15 Hills Resales, Laguna Woods)
16 Properties, Laguna Woods Leasing,)
17 Laguna Woods Escrow, Laguna Woods)
18 Properties Leasing, and Sears)
19 Realty; and RAY RALPH BROCK JR.)
20 individually and as former)
21 designated officer of PCM Realty)
22 & Marketing Inc.)

A C C U S A T I O N

23 Respondents.)

24 The Complainant, Robin Trujillo, a Deputy Real Estate
25 Commissioner of the State of California, for cause of Accusation
26 against PCM REALTY & MARKETING INC. doing business as PCM Laguna
27 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

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

3 1.

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

8 2.

9 All references to the "Code" are to the California
10 Business and Professions Code and all references to "Regulations"
11 are to Title 10, Chapter 6, California Code of Regulations.
12

13 LICENSE HISTORY

14 3.

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

20 B. At all times mentioned, RAY RALPH BROCK JR.
21 ("BROCK") was licensed or had license rights issued by the
22 Department as a real estate broker. On June 8, 1984, BROCK was
23 originally licensed as a real estate broker. On July 1, 2004,
24 BROCK was licensed as the designated officer of PCM until
25 December 29, 2006.
26
27

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

8 BROKERAGE AND LICENSE ACTIVITIES

9 4.

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

13 A. Code Section 10131(a). Respondents conducted
14 licensed activities as a residential reseller of real property.
15

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

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

26 ///

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")

1 "PCM Realty & Marketing Inc. dba Laguna Woods Escrow Escrow Trust
2 Account
3 9120047555"
4 Union Bank of California
5 Laguna Hills, California ("Escrow Trust Account")

6 VIOLATIONS OF THE REAL ESTATE LAW

7 7.

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

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

- 20 • \$2,437.00 negative balance (January 31, 2007)
- 21 • \$3,222.95 unidentified fund (January 31, 2007)
- 22 • \$ 785.95 trust account balance (January 31, 2007)

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

24 (b) Failed to maintain a separate record for each
25 beneficiary or transaction, thereby failing to account for all
26 trust funds received, deposited and disbursed by the leasing
27

1 trust account, as required by Code Section 10145 and Regulation
2 2831.1.

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

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

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

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

22 (f) Conducted escrow activities at 24361 El Toro Road,
23 Suite 160, Laguna Woods, California 92637, prior to obtaining a
24 branch office license from the Department, in violation of Code
25 Section 10163 and Regulation 2715.
26
27

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

6 DISCIPLINARY STATUTES AND REGULATIONS

7 8.

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

11 PARAGRAPH

PROVISIONS VIOLATED

12
13 7(a)

Code Section 10145 and Regulation
14 2832.1

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16 7(b)

Code Section 10145 and Regulation
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19
20 7(c)

Code Section 10145 and Regulation
21 2831.2

22
23
24 7(d)

Code Section 10145 and Regulation
25 2834

1 7(e)

Code Section 10145 and Regulation
2832(d)

4 7(f)

Code Section 10163 and Regulation
2715

8 7(g)

Code Sections 10159.2 and 10177(h)
and Regulation 2725

11 The foregoing violations constitute cause for the suspension or
12 revocation of the real estate license and license rights of PCM
13 and BROCK, under the provisions of Code Sections 10177(d) and/or
14 10177(g) and 10177(h).

15 NEGLIGENCE

16 9.

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

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

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. Rob. 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