

1 Department of Real Estate
2 320 West 4th Street, Ste. 350
3 Los Angeles, California 90013-1105
4 Telephone: (213) 576-6982 (office)

FILED

OCT 21 2010

DEPARTMENT OF REAL ESTATE
BY: 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12)
13 RODEO TOWNE CENTER REALTY INC.)
14 doing business as Click and List.com,)
15 EZ Home Loans - Woodland Hills, and)
16 Realty Alliance - Woodland Hills;)
17 LEROY MITCHELL SENNETTE, individually)
18 and as former designated officer of)
19 Rodeo Towne Center Realty Inc.; and)
20 NEELAM BHATIA,)
21 Respondents.)

No. H-36378 LA
L-2010010258

STIPULATION
AND
AGREEMENT

19 In the Matter of the Accusation of)
20)
21 CLICKANDLIST REALTY INC. doing)
22 business as EZ to Approve Financial)
23 and First Choice Financial;)
24 LEROY MITCHELL SENNETTE, individually)
25 and as designated officer of)
26 ClickandList Realty Inc.; NEELAM)
27 BHATIA and JOHN JOSEPH NICSINGER,)
Respondents,)

No. H-36389 LA
L-201001026

STIPULATION
AND
AGREEMENT

1 It is hereby stipulated by and between Respondents
2 RODEO TOWNE CENTER REALTY INC., CLICKANDLIST REALTY INC., LEROY
3 MITCHELL SENNETTE, individually and as designated officer of
4 Rodeo Towne Center Realty Inc. and ClickandList Realty Inc., and
5 NEELAM BHATIA (sometimes referred to as "Respondents"),
6 represented by Ronald Gallant, Esq. and the Complainant, acting
7 by and through Elliott Mac Lennan, Counsel for the Department of
8 Real Estate, as follows for the purpose of settling and
9 disposing of the First Amended Accusation filed on December 23,
10 2009 against RODEO TOWNE CENTER REALTY INC., LEROY MITCHELL
11 SENNETTE and NEELAM BHATIA and the First Amended Accusation
12 filed on April 5, 2010 against CLICKANDLIST REALTY INC., LEROY
13 MITCHELL SENNETTE and NEELAM BHATIA (collectively "Accusation").

14 1. All issues which were to be contested and all
15 evidence which was to be presented by Complainant and Respondents
16 at a formal hearing on the Accusation, which hearing was to be
17 held in accordance with the provisions of the Administrative
18 Procedure Act ("APA"), shall instead and in place thereof be
19 submitted solely on the basis of the provisions of this
20 Stipulation and Agreement ("Stipulation").
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22 2. Respondents have received, read and understand the
23 Statement to Respondent, the Discovery Provisions of the APA and
24 the Accusation filed by the Department of Real Estate in this
25 proceeding.
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1 3. Respondents timely filed a Notice of Defense
2 pursuant to Section 11506 of the Government Code for the purpose
3 of requesting a hearing on the allegations in the Accusation.
4 Respondents hereby freely and voluntarily withdraw said Notice of
5 Defense. Respondents acknowledge that they understand that by
6 withdrawing said Notice of Defense they thereby waive their right
7 to require the Commissioner to prove the allegations in the
8 Accusation at a contested hearing held in accordance with the
9 provisions of the APA and that they will waive other rights
10 afforded to them in connection with the hearing such as the right
11 to present evidence in their defense and the right to cross-
12 examine witnesses.

13 4. This Stipulation is based on the factual
14 allegations contained in the Accusation. In the interest of
15 expedience and economy, Respondents choose not to contest these
16 allegations, but to remain silent and understand that, as a
17 result thereof, these factual allegations, without being admitted
18 or denied, will serve as a prima facie basis for the disciplinary
19 action stipulated to herein. The Real Estate Commissioner shall
20 not be required to provide further evidence to prove said factual
21 allegations.
22

23 5. This Stipulation is made for the purpose of
24 reaching an agreed disposition of this proceeding and is
25 expressly limited to this proceeding and any other proceeding or
26 case in which the Department of Real Estate ("Department"), the
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1 state or federal government, or any agency of this state, another
2 state or federal government is involved.

3 6. It is understood by the parties that the Real
4 Estate Commissioner may adopt this Stipulation as his Decision in
5 this matter thereby imposing the penalty and sanctions on
6 Respondents' real estate licenses and license rights as set forth
7 in the "Order" herein below. In the event that the Commissioner
8 in his discretion does not adopt the Stipulation, it shall be
9 void and of no effect and Respondents shall retain the right to a
10 hearing and proceeding on the Accusation under the provisions of
11 the APA and shall not be bound by any stipulation or waiver made
12 herein.

13 7. The Order or any subsequent Order of the Real
14 Estate Commissioner made pursuant to this Stipulation shall not
15 constitute an estoppel, merger or bar to any further
16 administrative or civil proceedings by the Department of Real
17 Estate with respect to any matters which were not specifically
18 alleged to be causes for Accusation in this proceeding but do
19 constitute a bar, estoppel and merger as to any allegations
20 actually contained in the Accusations against Respondent herein.
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DETERMINATION OF ISSUES

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

4 The conduct, acts or omissions of RODEO TOWNE CENTER
5 REALTY INC. and LEROY MITCHELL SENNETTE, as described in
6 Paragraph 4, above, are in violation of Section and 10145 of the
7 Business and Professions Code ("Code") and Sections 2831, 2831.1,
8 2831.2, 2832.1, 2950(d), 2950(g) and 2951 of Title 10, Chapter 6
9 of the California Code of Regulations ("Regulations") and is a
10 basis for discipline of Respondents' license and license rights
11 as violation of the Real Estate Law pursuant to Code Sections
12 10176(a) and 10177(g).
13

II.

14 The conduct, acts or omissions of CLICKANDLIST REALTY
15 INC. and LEROY MITCHELL SENNETTE, as described in Paragraph 4,
16 above, are in violation of Code Sections 10145 and 10145(d) and
17 Regulations 2831, 2831.1, 2831.2, 2832.1, 2950(d), 2950(g) and is
18 a basis for discipline of Respondents' license and license rights
19 as violation of the Real Estate Law pursuant to Code Sections
20 10176(a) and 10177(g).
21

III.

22 The conduct, acts or omissions of LEROY MITCHELL
23 SENNETTE, as described in Paragraph 4, above, are in violation of
24 Code Section 10159.2 and is a basis for discipline of
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1 Respondent's license and license rights as violation of the Real
2 Estate Law pursuant to Code Section and 10177(g).

3 IV.

4 The conduct, acts or omissions of NEELAM BHATIA, as
5 described in Paragraph 4, above, are in violation of Code
6 Sections 10176(a) and 10177(g) and are a basis for discipline of
7 Respondent's license and license rights as violation of the Real
8 Estate Law pursuant to Code Sections 10176(a) and 10177(g).

9 ORDER

10 WHEREFORE, THE FOLLOWING ORDER is hereby made:

11 I.

12 All licenses and licensing rights of Respondents RODEO
13 TOWNE CENTER REALTY INC., CLICKANDLIST REALTY INC., LEROY
14 MITCHELL SENNETTE and NEELAM BHATIA, under the Real Estate Law
15 are revoked.

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18 DATED: 6-7-10

19 ELIOTT MAC LENNAN, Counsel for
20 the Department of Real Estate

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* * *

EXECUTION OF THE STIPULATION

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3 We have read the Stipulation and discussed it 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 (1) shall mail the original signed signature
16 page of the stipulation herein to Elliott Mac Lennan: Attention:
17 Legal Section, Department of Real Estate, 320 W. Fourth St.,
18 Suite 350, Los Angeles, California 90013-1105. Additionally,
19 Respondents shall also (2) facsimile a copy of signed signature
20 page, to the Department at the following facsimile number:
21 213.576.6917, Attention: Elliott Mac Lennan.
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1 A facsimile constitutes acceptance and approval of the
 2 terms and conditions of this stipulation. Respondents agree,
 3 acknowledge and understand that by electronically sending to the
 4 Department a facsimile copy of Respondents' actual signature as
 5 they appear on the stipulation that receipt of the facsimile copy
 6 by the Department shall be as binding on Respondents as if the
 7 Department had received the original signed stipulation.

8
 9 DATED: June 8, 2010 Leroy Mitchell Sennette
 10 RODEO TOWNE CENTER REALTY INC., a
 11 corporate real estate broker,
 12 BY: LEROY MITCHELL SENNETTE D.O.

13 DATED: June 8, 2010 Leroy Mitchell Sennette
 14 CLICKANDLIST REALTY INC., a
 15 corporate real estate broker,
 16 BY: LEROY MITCHELL SENNETTE D.O.

17 DATED: June 8, 2010 Leroy Mitchell Sennette
 18 LEROY MITCHELL SENNETTE,
 19 individually and as designated
 20 officer of Rodeo Towne Center
 21 Realty Inc.,

22 DATED: June 8, 2010 Neelam Bhatia
 23 NEELAM BHATIA, real estate
 24 salesperson

25 DATED: June 8, 2010 Ronald Gallant
 26 RONALD GALLANT, ESQ.,
 27 Attorney for Respondents
 Approved as to form

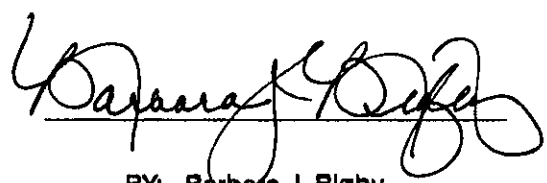
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The foregoing Stipulation and Agreement is hereby
adopted as my Decision as to Respondents RODEO TOWNE CENTER
REALTY INC., CLICKANDLIST REALTY INC., LEROY MITCHELL SENNETTE,
and NEELAM BHATIA and shall become effective at 12 o'clock noon
on November 10, 2010.

IT IS SO ORDERED 10/14, 2010.

JEFF DAVI
Real Estate Commissioner



BY: Barbara J. Bigby
Chief Deputy Commissioner

Santi

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

DEC 23 2009

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)
12)
13 RODEO TOWNE CENTER REALTY INC.)
14 doing business as Click and List.com,)
15 EZ Home Loans - Woodland Hills, and)
16 Realty Alliance - Woodland Hills;)
17 LEROY MITCHELL SENNETTE, individually)
18 and as former designated officer of)
19 Rodeo Towne Center Realty Inc.; and)
20 NEELAM BHATIA,)
21 Respondents.)

No. H-36378 LA
FIRST AMENDED
ACCUSATION

22 The Accusation filed on December 9, 2009, is amended in
23 its entirety as follows:

24 The Complainant, Robin Trujillo, a Deputy Real Estate
25 Commissioner of the State of California, for cause of Accusation
26 against RODEO TOWNE CENTER REALTY INC. dba Click and List.com, EZ
27 Home Loans - Woodland Hills and Realty Alliance - Woodland Hills;
LERoy MITCHELL SENNETTE, individually and as former designated

1 officer of Rodeo Towne Center Realty Inc.; and NEELAM BHATIA aka
2 Nancy Bhatia, 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 RODEO TOWNE CENTER
7 REALTY INC., LEROY MITCHELL SENNETTE and NEELAM BHATIA.

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 3.

13 A. At all times mentioned, RODEO TOWNE CENTER REALTY
14 INC. ("RODEO") was licensed or had license rights issued by the
15 Department of Real Estate ("Department") as a real estate broker.
16 On September 21, 2005, RODEO was originally licensed as a
17 corporate real estate broker. On September 19, 2009, RODEO's
18 license expired.

19 B. At all times mentioned, LEROY MITCHELL SENNETTE
20 ("SENNETTE") was licensed or had license rights issued by the
21 Department as a real estate broker. On September 29, 1985,
22 SENNETTE was originally licensed as a real estate broker.
23 SENNETTE was licensed as the designated officer of RODEO from
24 September 21, 2005 until his resignation on February 13, 2009.
25 SENNETTE was also RODEO's Vice President.

1 C. At all times mentioned, NEELAM BHATIA ("NEELAM
2 BHATIA") was licensed or had license rights issued by the
3 Department as a real estate salesperson. On July 30, 1991,
4 NEELAM BHATIA was originally licensed as a real estate
5 salesperson. From March 4, 2009 to present, Respondent has been
6 employed by CLRI. Previously, from June 26, 2006 to February 22,
7 2009, Respondent was employed by Rodeo Towne Center Realty Inc.
8 In Departmental Case No. H-25816 LA, NEELAM BHATIA's salesperson
9 license was revoked on April 8, 1994 and subsequently reinstated
10 on June 24, 1998.

11 D. At all times material herein, RODEO was licensed by
12 the Department as a corporate real estate broker by and through
13 SENNETTE, as the designated officer and broker responsible,
14 pursuant to Code Sections 10159.2 and 10211 of the Business and
15 Professions Code for supervising the activities requiring a real
16 estate license conducted on behalf RODEO of by RODEO's officers,
17 agents and employees, including SENNETTE.

18 E. RODEO is a California corporation owned equally by
19 Tulsi Bhatia aka Tulsidas Bhatia and Mansha Bhatia aka Marsha
20 Bhatia and Marsha Bhatia, unlicensed persons, who respectively
21 are the President and Secretary/Treasurer of RODEO. NEELAM
22 BHATIA is the daughter of Mr. and Mrs. Tulsi Bhatia, husband and
23 wife. Anoop Bhatia aka Steve Bhatia is the husband of NEELAM
24 BHATIA holding himself out to be Vice President of Sales,
25 although an unlicensed person.
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2 At all times mentioned, in City of Granada Hills,
3 County of Los Angeles, Respondents RODEO and SENNETTE engaged in
4 the business of, acted in the capacity of, advertised or assumed
5 to act as a real estate broker within the meaning of:

6 A. Code Section 10131(a), including the solicitation
7 for listings of and the negotiation of the sale of real property
8 as the agent of others.

9 B. Code Section 10131(d). RODEO and SENNETTE operated
10 a mortgage and loan brokerage engaging in activities with the
11 public wherein lenders and borrowers were solicited for loans
12 secured directly or collaterally by liens on real property,
13 wherein such loans were arranged, negotiated, processed and
14 consummated on behalf of others for compensation or in
15 expectation of compensation and for fees often collected in
16 advance as well as at the conclusion of transactions; and

17 C. In addition, RODEO and SENNETTE conducted broker-
18 controlled escrows through RODEO's escrow division, Click and
19 List.com Escrow Division, under the exemption set forth in
20 California Financial Code Section 17006(a)(4) for real estate
21 brokers performing escrows incidental to a real estate
22 transaction where the broker is a party and where the broker is
23 performing acts for which a real estate license is required.
24

25 D. NEELAM BHATIA was formerly employed as a salesperson
26 of Respondent RODEO pursuant to Code Section 10132.
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1
2 FIRST CAUSE OF ACTION

3 AUDIT

4 5.

5 On December 3, 2009, the Department completed an audit
6 of the books and records of RODEO pertaining to the broker-escrow
7 activities described in Paragraph 4 that require a real estate
8 license. The audit covered a period of time beginning on January
9 1, 2007 to February 13, 2009. The audit examination revealed
10 violations of the Code and the Regulations as set forth in the
11 following paragraphs and more fully discussed in Audit Report LA
12 090035 and the exhibits and work papers attached to said audit
13 report.

14 6.

15 At all times mentioned, in connection with the
16 activities described in Paragraph 4, above, RODEO accepted or
17 received funds including funds in trust (hereinafter "trust
18 funds") from or on behalf of actual or prospective parties
19 including lenders and borrowers, for sales and loan refinance
20 transactions brokered and escrowed by RODEO and thereafter made
21 deposits and or disbursements of such funds. From time to time
22 herein mentioned during the audit period, said trust funds were
23 deposited and/or maintained by RODEO in the Comerica Bank as
24 follows:
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1 "Rodeo Towne Center Realty dba Click & List.com and Realty
Alliance - Woodland Hills Escrow Trust Account
Account No. 1893054062"

2 Woodland Hills, California

(Trust 1)

3
4
5 "Rodeo Towne Center Realty dba Click and List Escrow, Escrow
6 Trust Account
Account No. 1893135598"

7 Woodland Hills, California

(Trust 2)

8
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 RODEO, SENNETTE and NEELAM BHATIA (where
13 noted in Paragraph 8 below), acted in violation of the Code and
14 the Regulations in that Respondents:

15 (a) Permitted, allowed or caused the disbursement of
16 trust funds from Trust 1 where the disbursement of said funds
17 reduced the total of aggregate funds as set forth below, to an
18 amount which, on February 12, 2009, was \$976,400.64, less than
19 the existing aggregate trust fund liability of RODEO to every
20 principal who was an owner of said funds, without first obtaining
21 the prior written consent of the owners of said funds, in
22 violation of Code Sections 10145 and 10176(i) and Regulations
23 2832.1, 2950(g) and 2951. As of February 12, 2009, Trust 1 had a
24 balance of \$32.00.

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1 (b) (1) Porter Ranch Development and Nilesh Patel

2 On December 8, 2008, Nilesh Patel purchased real
3 property located at 20653 Campania Lane, Los Angeles, California
4 from seller Porter Ranch Development for \$780,000.00. NEELAM
5 BHATIA was the listing or the seller's agent. The escrow was
6 handled by RODEO under its escrow division "Click and List
7 Escrow". Based on the escrow closing statement, as reconstructed
8 herein, the balance due to the seller is \$627,364.17, which as of
9 January 14, 2009, has not been paid and which remains due and
10 owing, as tabulated below:

<u>Date</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u>
12/3/08	\$ 13,606.34		\$ 13,606.34
12/4/08	\$573,253.53		\$586,859.87
At closing	\$ 92,000.00		\$678,859.87
12/29/08		\$ 1,497.70	\$677,362.17
1/14/09		\$50,000.00	\$627,364.17

17
18 (b) (2) Michael Roche Escrow

19 On September 17, 2007, Michael Roche (Roche) refinanced
20 his residence located at 14825 Sherman Way #4, Van Nuys. The
21 escrow was handled by RODEO's escrow division "Click and List
22 Escrow". NEELAM BHATIA and unlicensed Anoop Bhatia acted as the
23 mortgage loan agents for the refinance. On April 3, 2008, after
24 nineteen (19) partial disbursements which included voided checks
25 and non-sufficient funds checks, borrower Roche still had not
26 received the full amount of his refinance proceeds. A balance of
27

1 \$12,777.29 remains due and owing to Rocke, in violation of Code
2 Section 10176(i) and/or 10177(g), as tabulated below:

3	<u>Date</u>	<u>Receipts</u>	<u>Disbursement</u>
4		<u>Balance</u>	
5	9/17/07	\$ 81,042.62	\$ 81,042.62
6	9/18/07		\$ 766.00
7	9/18/07		\$ 150.00
8	9/18/07		\$ 443.72
9	9/18/07		\$2,458.69
10	9/18/07		\$1,000.00
11	9/19/07		\$ 532.67
12	9/19/07		\$2,192.52
13	9/26/07		\$ 5,343.92
14	10/23/07		\$ 1,847.85
15	10/26/07		\$ 3,212.41
16	11/1/07		\$ 2,000.00
17	11/8/07		\$ 250.00
18	12/14/07		\$16,894.87
19	12/18/07		\$ 1,240.36
20	1/3/08		\$ 673.05
21	1/22/08		\$ 3,000.00
22	2/4/08		\$ 4,000.00
23	4/3/08		\$14,781.30
24	4/3/08		\$ 5,500.00
25			\$ 12,777.29

16
17 (c) Failed to maintain an accurate and complete control
18 record for each beneficiary or transaction, thereby failing to
19 account for all trust funds received, deposited and disbursed for
20 Trust 1, in violation of Code Section 10145 and Regulations 2831,
21 2950(d) and 2951.

22 (d) Failed to maintain an accurate and complete
23 separate record for each beneficiary or transaction, thereby
24 failing to account for all trust funds received, deposited and
25 disbursed for Trust 1, in violation of Code Section 10145 and
26 Regulations 2831.1, 2950(d) and 2951.
27

1 (e) Failed to perform a monthly reconciliation of the
2 balance of all separate beneficiary or transaction records
3 maintained pursuant to Regulation 2831.1 with the record of all
4 trust funds received and disbursed by Trust 1, in violation of
5 Code Section 10145 and Regulations 2831.2, 2950(d) and 2951.

6 (f) Failed to disclose to borrower Wadhvani that a One
7 Hundred Dollar (\$100.00) check for document preparation was paid
8 to RODEO, in violation of Code Section 10176(g).

9 (g) Converted trust funds in the amount of
10 \$1,753,240.00, by systematically withdrawing or paying out escrow
11 trust funds from Trust 1 without the prior written consent of
12 every principal or client paying monies into Trust 1, in
13 violation of Code Sections 10145 and 10176(i) and Regulation
14 2950(g), as now set forth:

15 Between February 1, 2007 and September 30, 2008,
16 unauthorized wire transfers from Trust 1 to unknown bank accounts
17 including but not limited to "ClickAndList Realty Inc." account
18 #1893054070, unrelated to any identified escrow transactions,
19 which, on information and belief, is owned or controlled by the
20 owners of RODEO, Tulsi Bhatia and Mansha Bhatia, NEELAN BHATIA
21 and Anoop Bhatia.

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1 Based on Trust 1's available bank statements, the
2 numerous transfers tabled below, and noted as "Web Funds Transfer
3 to unknown Account 1893054070" from Trust 1 over a 19 month
4 period from February 2008 to September 2009-year period totaled
5 \$1,753,240.00, in embezzled and converted trust funds:
6
7

<u>Month/Year</u>	<u>Amount</u> <u>Disbursed</u>
	\$
2/07	(253,900.00)
3/07	(135,320.00)
4/07	(292,920.00)
5/07	(136,960.00)
6/07	(147,900.00)
7/07	(205,400.00)
8/07	(144,050.00)
9/07	(103,660.00)
10/07	(79,020.00)

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11/07	(64,500.00)
12/07	(31,450.00)
1/08	(14,700.00)
2/08	(1,740.00)
3/08	(21,420.00)
4/08	(43,300.00)
5/08	(47,100.00)
6/08	(28,050.00)
7/08	(1,700.00)
9/08	<u>(150.00)</u>
	\$
Total	<u>(1,753,240.00)</u>

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1 (h) Failed to retain all records of RODEO's activity
2 during the audit period requiring a real estate broker license
3 for the escrow activity including, but not limited to, control
4 records, checks, check registers, deposit tickets, invoices
5 related to escrow files, bank signature cards, bank statements
6 and escrow receipts, in violation of Code Section 10148.

7 8.

8 The conduct of Respondents RODEO, SENNETTE and NEELAM
9 BHATIA, where noted in below and as described in Paragraph 7,
10 above, violated the Code and the Regulations as set forth below:

11 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
12 7(a)	Code Sections 10145 and 10176(i) 13 and Regulations 2832.1, 2950(g) and 14 2951
15	
16	
17 7(b)	Code Section 10176(i) and/or 18 10177(g) RODEO, SENNETTE and 19 NEELAM BHATIA
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22 7(c)	Code Section 10145 and Regulations 23 2831, 2950(d) and 2951
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7(d)

Code Section 10145 and Regulations
2831.1, 2950(d) and 2951

7(e)

Code Section 10145 and Regulations
2831.2, 2950(d) and 2951

7(f)

Code Section 10176(g)

7(g)

Code Sections 10145 and 10176(i)
and Regulation 2950(g)

7(h)

Code Section 10148

The foregoing violations constitute cause for the suspension or
revocation of the real estate license and license rights of RODECO
and SENNETTE, under the provisions of Code Sections 10177(d),
10176(g), 10176(i) and/or 10177(g).

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SECOND CAUSE OF ACTION

STAGED EMBEZZLEMENT AND CONVERSION OF ESCROWED TRUST FUNDS

9.

The conduct of Respondents RODEO, SENNETTE and NEELAM BHATIA, in systematically embezzling and converting trust funds from RODEO's escrow division, Click and List.com Escrow Division, constitutes violation of Code Sections:

1. 10176(a) for misrepresenting to Respondents' client trust fund beneficiaries the true status of their escrowed trust funds which reflected negative balances in the amounts of \$976,400.64 and \$1,753,240.00, totaling \$2,729.640 between the two year period from February 2007 to February 2009.

2. 10176(b) for making false promises of a character likely to influence, persuade or induce RODEO's clients and trust fund owner-beneficiaries into believing that Respondents were acting in a fiduciary capacity when in fact Respondents were systematically looting Trust 1 for their own illegitimate purposes.

3. 10176(c) for a continued and flagrant course of misrepresentation or making of promises through real estate agents or salespersons, by systematically transferring out to unknown accounts unrelated to any identified pending escrows.

(RODEO and SENNETTE only)

4. 10176(e) for commingling client trust funds with the general operating funds of RODEO into RODEO's Operations

Account at Bank of the West, Account #650035611.

1
2 5. 10176(i) for fraud and dishonest dealing in
3 connection with the ongoing scheme to loot client trust funds
4 from RODEO to unknown bank accounts in order to use client trust
5 funds as an slush fund for Respondents' personal use and general
6 operating expenses.

7 6. 10176(i) for concealment of the embezzlement scheme
8 from RODEO's clients. Respondents systematically misinformed
9 client trust account owners as to reasons for the staged
10 disbursement of client net proceeds from sales of real property
11 or loan refinance.

12 7. 10176(i) for fraud and dishonest dealing, for
13 failure to act in a fiduciary capacity with respect to the
14 RODEO's escrow trust fund beneficiaries; and

15 8. 10137, for unlawful employment of Anoop Bhatia aka
16 Steve Bhatia, who held himself to be the "Vice President of
17 Sales" of RODEO, and who, although unlicensed, was in de facto
18 control of RODEO, along with NEELAM BHATIA and SENNETTE, of the
19 sales, refinancing and escrow activities of RODEO.

20
21 10.


22 The overall conduct of Respondents RODEO, SENNETTE and
23 NEELAM BHATIA constitutes negligence or incompetence. This
24 conduct and violation are cause for suspension or revocation of
25 the real estate license and license rights of said Respondents
26 pursuant to Code Section 10177(g).

1
2 The overall conduct of Respondent SENNETTE constitutes
3 a failure on Respondent's part, as officer designated by a
4 corporate broker licensee, to exercise the reasonable supervision
5 and control over RODEO's licensed activities including RODEO's
6 escrow division and trust fund handling as required by Code
7 Section 10159.2, and to keep RODEO in compliance with the Real
8 Estate Law, and is cause for suspension or revocation of the real
9 estate license and license rights of SENNETTE pursuant to the
10 provisions of Code Sections 10177(d), 10177(h) and/or 10177(g).

11 WHEREFORE, Complainant prays that a hearing be
12 conducted on the allegations of this Accusation and that upon
13 proof thereof, a decision be rendered imposing disciplinary
14 action against the license and license rights of Respondents
15 RODEO TOWNE CENTER REALTY INC., LEROY MITCHELL SENNETTE and
16 NEELAM BHATIA, under the Real Estate Law (Part 1 of Division 4 of
17 the Business and Professions Code) and for such other and further
18 relief as may be proper under other applicable provisions of law.

19 Dated at Los Angeles, California

20 this 21 day of December 2009.

21 
22 Deputy Real Estate Commissioner

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cc: Rodeo Towne Center Realty Inc.
c/o Leroy Mitchell Sennette D.O.
Neelam Bhatia
Robin Trujillo
Carlo Hovesebian-Banki
Sacto
Audits - Justin Park

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

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

FILED

DEC 9 2009

DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H- 36378 LA
)	
RODEO TOWNE CENTER REALTY INC.)	<u>A</u> <u>C</u> <u>C</u> <u>U</u> <u>S</u> <u>A</u> <u>T</u> <u>I</u> <u>O</u> <u>N</u>
doing business as Click and List.com,)	
EZ Home Loans - Woodland Hills, and)	
Realty Alliance - Woodland Hills; and)	
LEROY MITCHELL SENNETTE, individually)	
and as former designated officer of)	
Rodeo Towne Center Realty Inc.)	
)	
Respondents.)	

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against RODEO TOWNE CENTER REALTY INC. dba Click and List.com, EZ Home Loans - Woodland Hills and Realty Alliance - Woodland Hills, and LEROY MITCHELL SENNETTE, individually and as former designated officer of Rodeo Towne Center Realty Inc, alleges as follows:

///

1.

1 The Complainant, Robin Trujillo, acting in her official
2 capacity as a Deputy Real Estate Commissioner of the State of
3 California, makes this Accusation against RODEO TOWNE CENTER
4 REALTY INC. and LEROY MITCHELL SENNETTE.
5

2.

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

3.

10
11 1. At all times mentioned, RODEO TOWNE CENTER REALTY
12 INC. ("RODEO") was licensed or had license rights issued by the
13 Department of Real Estate ("Department") as a real estate broker.
14 On September 21, 2005, RODEO was originally licensed as a
15 corporate real estate broker. On September 19, 2009, RODEO's
16 license expired.

17 2. At all times mentioned, LEROY MITCHELL SENNETTE
18 ("SENNETTE") was licensed or had license rights issued by the
19 Department as a real estate broker. On September 29, 1985,
20 SENNETTE was originally licensed as a real estate broker.
21 SENNETTE was licensed as the designated officer of RODEO from
22 September 21, 2005 until his resignation on February 13, 2009.
23 SENNETTE was also RODEO's Vice President.

24 3. At all times material herein, RODEO was licensed by
25 the Department as a corporate real estate broker by and through
26 SENNETTE, as the designated officer and broker responsible,
27

1 pursuant to Code Sections 10159.2 and 10211 of the Business and
2 Professions Code for supervising the activities requiring a real
3 estate license conducted on behalf RODEO of by RODEO's officers,
4 agents and employees, including SENNETTE.

5 4. RODEO is a California corporation owned equally by
6 Tulsi Batia and Marsha Batia, unlicensed persons, who
7 respectively are the President and Secretary/Treasurer of RODEO.

8 4.

9 At all times mentioned, in City of Granada Hills,
10 County of Los Angeles, RODEO and SENNETTE acted as real estate
11 brokers conducting broker-controlled escrows through RODEO's
12 escrow division, Click and List.com Escrow Division, under the
13 exemption set forth in California Financial Code Section
14 17006(a)(4) for real estate brokers performing escrows incidental
15 to a real estate transaction where the broker is a party and
16 where the broker is performing acts for which a real estate
17 license is required.

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FIRST CAUSE OF ACTION

AUDIT

5.

On December 3, 2009, the Department completed an audit of the books and records of RODEO pertaining to the broker-escrow activities described in Paragraph 4 that require a real estate license. The audit covered a period of time beginning on January 1, 2007 to February 13, 2009. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA 090035 and the exhibits and work papers attached to said audit report.

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, RODEO accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties including lenders and borrowers, for sales and loan transactions brokered and escrowed by RODEO 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 RODEO in the Comerica Bank as follows:

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1 "Rodeo Towne Center Realty dba Click & List.com and Realty
Alliance - Woodland Hills Escrow Trust Account
Account No. 1893054062"

2 Woodland Hills, California (Trust 1)

3
4 "Rodeo Towne Center Realty dba Click and List Escrow, Escrow
Trust Account
Account No. 1893135598"

5
6 Woodland Hills, California (Trust 2)

7
8 7.

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

13 (a) Permitted, allowed or caused the disbursement of
14 trust funds from Trust 1 where the disbursement of said funds
15 reduced the total of aggregate funds as set forth below, to an
16 amount which, on February 12, 2009, was \$976,400.64, less than
17 the existing aggregate trust fund liability of RODEO to every
18 principal who was an owner of said funds, without first obtaining
19 the prior written consent of the owners of said funds, in
20 violation of Code Sections 10145 and 10176(i) and Regulations
21 2832.1, 2950(g) and 2951. As of February 12, 2009, Trust 1 had a
22 balance of \$32.00.

23 (b) (1) Porter Ranch Development and Nilesh Patel

24 On December 8, 2008, Nilesh Patel purchased real
25 property located at 20653 Campania Lane, Los Angeles, California
26 from seller Porter Ranch Development for \$780,000.00. The escrow
27

1 was handled by RODEO under its escrow division "Click and
 2 List.com Escrow Division". Based on the escrow closing
 3 statement, as reconstructed, the balance due to the seller is
 4 \$627,364.17, which as of January 14, 2009, has not been paid and
 5 which remains due and owing to the seller, as set forth below:

<u>Date</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u>
12/3/08	\$ 13,606.34		\$ 13,606.34
12/4/08	\$573,253.53		\$586,859.87
At closing	\$ 92,000.00		\$678,859.87
12/29/08		\$ 1,497.70	\$677,362.17
1/14/09		\$50,000.00	\$627,364.17

12
 13 (b) (2) Michael Rocke Escrow

14 On September 17, 2007, Michael Rocke (Rocke) refinanced
 15 his residence located at 14825 Sherman Way #4, Van Nuys. The
 16 escrow was handled by RODEO's escrow division "Click and List.com
 17 Escrow Division". On April 3, 2008, after nineteen (19) partial
 18 disbursements which included voided checks and non-sufficient
 19 checks, Rocke still had not received the full amount of the
 20 refinance proceeds, as a balance of \$12,777.29 remains due and
 21 owing, in violation of Code Section 10176(i) and/or 10177(g), as
 22 set forth below:

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	<u>Date</u>	<u>Receipts</u> <u>Balance</u>		<u>Disbursement</u>
1				
2	9/17/07	\$ 81,042.62		\$ 81,042.62
3	9/18/07		\$ 766.00	\$ 80,276.62
4	9/18/07		\$ 150.00	\$ 80,126.62
5	9/18/07		\$ 443.72	\$ 79,682.90
6	9/18/07		\$2,458.69	\$ 77,224.21
7	9/18/07		\$1,000.00	\$ 76,224.21
8	9/19/07		\$ 532.67	\$ 75,691.54
9	9/19/07		\$2,192.52	\$ 73,499.02
10	9/26/07		\$ 5,343.92	\$ 68,155.10
11	10/23/07		\$ 1,847.85	\$ 66,307.25
12	10/26/07		\$ 3,212.41	\$ 63,094.84
13	11/1/07		\$ 2,000.00	\$ 61,094.84
14	11/8/07		\$ 250.00	\$ 58,866.87
15	12/14/07		\$16,894.87	\$ 41,972.00
16	12/18/07		\$ 1,240.36	\$ 40,731.64
17	1/3/08		\$ 673.05	\$ 40,058.59
18	1/22/08		\$ 3,000.00	\$ 37,058.59
19	2/4/08		\$ 4,000.00	\$ 33,058.59
20	4/3/08		\$14,781.30	\$ 18,277.29
21	4/3/08		\$ 5,500.00	\$ 12,777.29

14 (c) Failed to maintain an accurate and complete control
15 record for each beneficiary or transaction, thereby failing to
16 account for all trust funds received, deposited and disbursed for
17 Trust 1, in violation of Code Section 10145 and Regulations 2831,
18 2950(d) and 2951.

19 (d) Failed to maintain an accurate and complete
20 separate record for each beneficiary or transaction, thereby
21 failing to account for all trust funds received, deposited and
22 disbursed for Trust 1, in violation of Code Section 10145 and
23 Regulations 2831.1, 2950(d) and 2951.

24 (e) Failed to perform a monthly reconciliation of the
25 balance of all separate beneficiary or transaction records
26 maintained pursuant to Regulation 2831.1 with the record of all
27

1 trust funds received and disbursed by Trust 1, in violation of
2 Code Section 10145 and Regulations 2831.2, 2950(d) and 2951.

3 (f) Failed to disclose to borrower Wadhvani that a One
4 Hundred Dollar (\$100.00) check for document preparation was paid
5 to RODEO, in violation of Code Section 10176(g).

6 (g) Converted trust funds in the amount of
7 \$1,753,240.00, by systematically withdrawing or paying out escrow
8 trust funds from Trust 1 without the prior written consent of
9 every principal or client paying monies into Trust 1, in
10 violation of Code Sections 10145 and 10176(i) and Regulation
11 2950(g), as now set forth:

12 Between February 1, 2007 and September 30, 2008,
13 unauthorized wire transfers from Trust 1 to unknown bank accounts
14 including but not limited to "ClickAndList Realty Inc." account
15 #1893054070, unrelated to any identified escrow transactions,
16 which, on information and belief, is owned or controlled by the
17 owners of RODEO, Tulsi Batia and Marsha Batia.

18 Based on Trust 1's available bank statements, the
19 numerous transfers tabled below, and noted as "Web Funds Transfer
20 to unknown Account 1893054070" from Trust 1 over a 19 month
21 period from February 2008 to September 2009-year period totaled
22 \$1,753,240.00, in embezzled and converted trust funds:
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<u>Month/Year</u>	<u>Amount</u> <u>Disbursed</u>
	\$
2/07	(253,900.00)
3/07	(135,320.00)
4/07	(292,920.00)
5/07	(136,960.00)
6/07	(147,900.00)
7/07	(205,400.00)
8/07	(144,050.00)
9/07	(103,660.00)
10/07	(79,020.00)
11/07	(64,500.00)
12/07	(31,450.00)
1/08	(14,700.00)

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2/08	(1,740.00)
3/08	(21,420.00)
4/08	(43,300.00)
5/08	(47,100.00)
6/08	(28,050.00)
7/08	(1,700.00)
9/08	<u>(150.00)</u>
	\$
Total	<u>(1,753,240.00)</u>

(h) Failed to retain all records of RODEO' activity during the audit period requiring a real estate broker license for the escrow activity including, but not limited to, control records, checks, check registers, deposit tickets, invoices related to escrow files, bank signature cards, bank statements and escrow receipts, in violation of Code Section 10148.

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

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PARAGRAPH

PROVISIONS VIOLATED

7(a)

Code Sections 10145 and 10176(i) and Regulations 2832.1, 2950(g) and 2951

7(b)

Code Section 10176(i) and/or 10177(g)

7(c)

Code Section 10145 and Regulations 2831, 2950(d) and 2951

7(d)

Code Section 10145 and Regulations 2831.1, 2950(d) and 2951

7(e)

Code Section 10145 and Regulations 2831.2, 2950(d) and 2951

7(f)

Code Section 10176(g)

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7(g)

Code Sections 10145 and 10176(i)
and Regulation 2950(g)

7(h)

Code Section 10148

The foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of RODEO and SENNETTE, under the provisions of Code Sections 10177(d), 10176(g), 10176(i) and/or 10177(g).

SECOND CAUSE OF ACTION

STAGED EMBEZZLEMENT AND CONVERSION OF ESCROWED TRUST FUNDS

9.

The conduct of Respondents RODEO and SENNETTE, in systematically embezzling and converting trust funds from RODEO's escrow division, Click and List.com Escrow Division, constitutes violation of Code Sections:

1. 10176(a) for misrepresenting to Respondents' clients trust fund beneficiaries the true status of their escrowed trust funds which reflected negative balances in the amounts of \$976,400.64 and \$1,753,240.00, totaling \$2,729,640 between the two year period from February 2007 to February 2009.

2. 10176(b) for making false promises of a character likely to influence, persuade or induce RODEO's clients and trust fund owner-beneficiaries into believing that Respondents were acting in a fiduciary capacity when in fact Respondents were systematically looting Trust 1 for their own illegitimate

1 purposes.

2 3. 10176(c) for a continued and flagrant course of
3 misrepresentation or making of promises through real estate
4 agents or salespersons, by systematically transferring out to
5 unknown accounts unrelated to any identified pending escrows, and

6 4. 10176(e) for commingling client trust funds with
7 the general operating funds of RODEO into RODEO's Operations
8 Account at Bank of the West, Account #650035611.

9 5. 10176(i) for fraud and dishonest dealing in
10 connection with the ongoing scheme to loot client trust funds
11 from RODEO to unknown bank accounts in order to use client trust
12 funds as an slush fund for Respondents' personal use.

13 6. 10176(i) for concealment of the embezzlement from
14 RODEO's property owner clients. Respondents systematically
15 misinformed client trust account owners as to reasons for the
16 staged disbursement of client net proceeds from sales of real
17 property or loan refinance.

18 7. 10176(i) for fraud and dishonest dealing, for
19 failure to act in a fiduciary capacity with respect to the
20 RODEO's escrow trust fund beneficiaries; and

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10.

1 The overall conduct of Respondents RODEO and SENNETTE
2 constitutes negligence. This conduct and violation are cause for
3 suspension or revocation of the real estate license and license
4 rights of said Respondents pursuant to Code Section 10177(g).
5

11.

6 The overall conduct of Respondent SENNETTE constitutes
7 a failure on Respondent's part, as officer designated by a
8 corporate broker licensee, to exercise the reasonable supervision
9 and control over the licensed activities including RODEO's escrow
10 division and trust fund handling as required by Code Section
11 10159.2, and to keep RODEO in compliance with the Real Estate
12 Law, and is cause for suspension or revocation of the real estate
13 license and license rights of SENNETTE pursuant to the provisions
14 of Code Sections 10177(d), 10177(h) and/or 10177(g).
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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 the license and license rights of Respondents
5 RODEO TOWNE CENTER REALTY INC. and LEROY MITCHELL SENNETTE, under
6 the Real Estate Law (Part 1 of Division 4 of the Business and
7 Professions Code) and for such other and further relief as may be
8 proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 9 day of December 2009 
11 Deputy Real Estate Commissioner

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24 cc: Rodeo Towne Center Realty Inc.
25 c/o Leroy Mitchell Sennette D.O.
26 Robin Trujillo
27 Carlo Hovesebian-Banki
Sacto
Audits - Justin Park