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FILED  
JUL 28 2011  
DEPARTMENT OF REAL ESTATE

By CS

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of  
12 MONSTER MORTGAGE and  
13 CELIA AZUCENA CENTENO,  
14 individually and as former designated officer  
15 of Monster Mortgage,  
16 Respondents.

No. H-37412 LA  
ACCUSATION

17 The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State  
18 of California, for cause of Accusation against MONSTER MORTGAGE and CELIA AZUCENA  
19 CENTENO, individually and as former designated officer of Monster Mortgage alleges as  
20 follows:  
21

22 1.

23 The Complainant, Maria Suarez, acting in her official capacity as a Deputy Real  
24 Estate Commissioner of the State of California, makes this Accusation against MONSTER  
25 MORTGAGE and CELIA AZUCENA CENTENO.

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1 2.

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

4 LICENSE HISTORY

5 3.

6 A. At all times mentioned, MONSTER MORTGAGE was licensed or had license  
7 rights issued by the Department of Real Estate ("Department") as a corporate real estate broker.  
8 On November 4, 2004, Monster Mortgage was originally licensed as a corporate real estate  
9 broker.

10 B. At all times mentioned, CELIA AZUCENA CENTENO ("CENTENO") was  
11 licensed or had license rights issued by the Department as a real estate broker. On December 3,  
12 2008, CENTENO was originally licensed as a real estate broker.

13 C. From on or about January 4, 2010, through August 31, 2010, MONSTER  
14 MORTGAGE acted as a corporate real estate broker by and through CENTENO, as the  
15 designated officer and broker responsible, pursuant to Code Section 10159.2 for supervising the  
16 activities requiring a real estate license conducted on behalf MONSTER MORTGAGE by  
17 MONSTER MORTGAGE's officers, agents and employees, including CENTENO. From  
18 August 1, 2007, through January 4, 2010, Dick George Dulgarian was the designated officer and  
19 broker of MONSTER MORTGAGE. Dick George Dulgarian demised on January 4, 2010.

20 BROKERAGE

21 4.

22 At all times mentioned, in the State of California, MONSTER MORTGAGE  
23 acted as a corporate real estate broker and conducted licensed activities within the meaning of:

24 A. Code Section 10131(a). MONSTER MORTGAGE operated a  
25 residential/commercial resale brokerage;

26 B. Code Section 10131(b). MONSTER MORTGAGE solicited or offered to  
27 negotiate the sale, purchase or exchange of leases on real property or on a business opportunity;

1 C. Code Section 10131(d). MONSTER MORTGAGE operated a mortgage and  
2 loan brokerage; and

3 D. In addition, MONSTER MORTGAGE conducted broker-controlled escrows  
4 through its escrow division, under the exemption set forth in California Financial Code Section  
5 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction  
6 where the broker was a party and where the broker was performing acts for which a real estate  
7 license is required.

8 AUDIT OF MONSTER MORTGAGE

9 5.

10 On November 15, 2010, the Department completed an audit examination of the  
11 books and records of MONSTER MORTGAGE pertaining to the mortgage loan and broker-  
12 escrow activities described in Paragraph 4, that require a real estate license. The audit  
13 examination covered a period of time beginning on September 1, 2007 to August 31, 2010. The  
14 audit examination revealed violations of the Code and the Regulations as set forth in the  
15 following paragraphs, and more fully set forth in Audit Reports LA 100052 (mortgage loan  
16 activity) and LA 090223 (broker-escrow), and the exhibits and work papers attached thereto.

17 TRUST ACCOUNT

18 6.

19 At all times mentioned, in connection with the activities described in Paragraph 4,  
20 above, MONSTER MORTGAGE accepted or received funds including funds in trust (hereinafter  
21 "trust funds") from or on behalf of actual or prospective parties to transactions including buyers,  
22 sellers, lenders and borrowers handled by MONSTER MORTGAGE and thereafter made  
23 deposits and or disbursements of such funds. From time to time herein mentioned during the  
24 audit period, said trust funds were deposited and/or maintained by MONSTER MORTGAGE in  
25 the bank account as follows:

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27 ///

1 "MONSTER MORTGAGE dba Monster Escrow ("escrow trust account")  
2 XXX-XX7000"  
3 Pacific Western Bank  
4 Downey, California

5 VIOLATIONS OF THE REAL ESTATE LAW

6 7.

7 In the course of activities described in Paragraphs 4 and 6, above, and during the  
8 examination period described in Paragraph 5, Respondents MONSTER MORTGAGE and  
9 CENTENO, acted in violation of the Code and the Regulations in that they:

10 (a) Permitted, allowed or caused the disbursement of trust funds from the escrow  
11 trust account, where the disbursement of funds reduced the total of aggregate funds in the escrow  
12 trust account, to an amount which, on December 31, 2009 was \$2,550.16, and on August 31,  
13 2010, was \$3,350.16, less than the existing aggregate trust fund liability of MONSTER  
14 MORTGAGE to every principal who was an owner of said funds, without first obtaining the  
15 prior written consent of the owners of said funds, as required by Code Section 10145 and  
16 Regulation 2832.1.

17 (b) In two separate loan transactions, MONSTER MORTGAGE received credit  
18 report and appraisal fees that were charged to borrowers at the close of escrows. The credit  
19 report and appraisal fees were deposited in MONSTER MORTGAGE's general account and thus  
20 were commingled with MONSTER MORTGAGE's general funds, in violation of Code Sections  
21 10145 and 10176(e) and Regulation 2832.  
22

23 (c) Failed to maintain an accurate and complete control record in the form of a  
24 columnar record in chronological order of all trust funds received, deposited and disbursed by the  
25 escrow trust account, in violation of Code Section 10145 and Regulations 2831 and 2951.  
26

1 (d) Failed to maintain a separate record for each beneficiary or transaction,  
2 thereby failing to account for all advance fees collected, in violation of Code Section 10145 and  
3 Regulations 2831.1 and 2951.

4 (e) Failed to maintain a monthly written reconciliation of all separate record  
5 balances to the record of all trust funds received and disbursed for the escrow trust account, in  
6 violation of Code Section 10145 and Regulation 2831.2.

7 (f) The bank account that MONSTER MORTGAGE used to handle escrow trust  
8 funds was not in CENTENO's name as trustee and was not designated as a trust account, in  
9 violation of Code Section 10145 and Regulation 2832.

10 (g) Failed to deposit some of the funds received into an escrow trust account on  
11 or before the next business day after receipt, in violation of Code Section 10145 and Regulation  
12 2950(f).  
13

14 (h) Failed to disclose to all parties in writing in the escrow instructions of its  
15 financial interest in the escrow services when acting as the escrow agent, as required by Code  
16 Section 10176(g) and Regulation 2950(h).  
17

18 (i) Used the unlicensed fictitious business names "Monster Escrow" in its escrow  
19 activity and "Score Properties" to conduct licensed activities including mortgage loans since  
20 January 4, 2010, without holding a license bearing said fictitious business names in violation of  
21 Code Section 10159.5 and Regulation 2731.  
22

23 (j) Failed to provide and/or maintain an approved Mortgage Loan Disclosure  
24 Statement signed by borrowers and broker to show that said statements were provided to the  
25 borrowers within three business days after the borrowers signed their loan applications, in  
26 violation of Code Section 10240 and Regulation 2840.  
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(k) Failed to notify the Department of a change of its main office address in a timely manner, as required by Code Section 10162 and Regulation 2715.

(l) Did not have five (5) of its salespersons' license certificates in possession or provide them for examination, in violation of Code Section 10160 and Regulation 2753.

(m) Failed to maintain the Broker and Salesperson Relationship Agreement with five (5) of its salespersons, in violation of Regulation 2726.

(n) Failed to notify the Department in writing by January 31, 2010, for arranging mortgage loans that were secured by 1 to 4 units of real properties, in violation of Code Section 10166.02(b).

8.

The conduct of Respondent MONSTER MORTGAGE, described in Paragraph 7, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
7(a)	Code Section 10145 and Regulation 2832.1.
7(b)	Code Sections 10145 and 10176(e) and Regulation 2832
7(c)	Code Section 10145 and Regulations 2831 and 2951
7(d)	Code Section 10145 and Regulations 2831.1 and 2951
7(e)	Code Section 10145 and Regulation 2831.2
7(f)	Code Section 10145 and Regulation 2832
7(g)	Code Section 10145 and Regulation 2950(f)
7(h)	Code Section 10176(g) and Regulation 2950(h)

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- 7(i) Code Section 10159.5 and Regulation 2840
- 7(j) Code Section 10240 and Regulation 2950(f)
- 7(k) Code Section 10162 and Regulation 2715
- 7(l) Code Section 10160 and Regulation 2753
- 7(m) Code Section Regulation 2726
- 7(n) Code Section 10166.02(b)

9.

The conduct of Respondent CENTENO, described in Paragraph 7, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
7(a)	Code Section 10145 and Regulation 2832.1.
7(c)	Code Section 10145 and Regulations 2831 and 2951
7(d)	Code Section 10145 and Regulations 2831.1 and 2951
7(e)	Code Section 10145 and Regulation 2831.2
7(f)	Code Section 10145 and Regulation 2832
7(g)	Code Section 10145 and Regulation 2950(f)
7(h)	Code Section 10176(g) and Regulation 2950(h)
7(i)	Code Section 10159.5 and Regulation 2840
7(k)	Code Section 10162 and Regulation 2715
7(l)	Code Section 10160 and Regulation 2753
7(m)	Code Section Regulation 2726
7(n)	Code Section 10166.02(b)

1           The foregoing violations constitute cause for the suspension or revocation of the  
2 real estate licenses and license rights of MONSTER MORTGAGE and CENTENO under the  
3 provisions of Code Sections 10176(e), 10176(g), 10177(d) and/or 10177(g).

4                               10.

5           The overall conduct of Respondents MONSTER MORTGAGE and CENTENO  
6 constitutes negligence or incompetence. This conduct and violations are cause for the suspension  
7 or revocation of the real estate licenses and license rights of MONSTER MORTGAGE and  
8 CENTENO pursuant to Code Section 10177(g).

9                               FAILURE TO SUPERVISE

10                              11.

11           The overall conduct of Respondent CENTENO constitutes a failure on her part, as  
12 officer designated by a corporate broker licensee, to exercise the reasonable supervision and  
13 control over the licensed activities of MONSTER MORTGAGE as required by Code Section  
14 10159.2, and to keep MONSTER MORTGAGE in compliance with the Real Estate Law, and is  
15 cause for the suspension or revocation of the real estate license and license rights of CENTENO  
16 pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

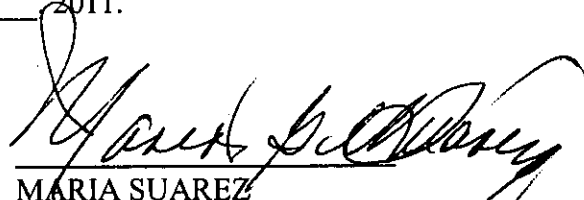
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1                   WHEREFORE, Complainant prays that a hearing be conducted on the allegations  
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary  
3 action against all licenses and/or license rights of Respondents MONSTER MORTGAGE and  
4 CELIA AZUCENA CENTENO, individually and as former designated officer of Monster  
5 Mortgage, under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code)  
6 and for such other and further relief as may be proper under other applicable provisions of law.

7 Dated at Los Angeles, California

8 this 14<sup>th</sup> day of July 2011.

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10   
11 MARIA SUAREZ  
12 Deputy Real Estate Commissioner  
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23 cc:    Monster Mortgage  
24        Celia Azucena Centeno  
25        Maria Suarez  
26        Sacto  
27        Audits/Lisa Kwong