

FILED

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DEPARTMENT OF REAL ESTATE
BY: *Maria Suarez*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

No. H-37914 LA

12 ALLIANCE PROPERTY AND ASSET)
13 MANAGEMENT INC and JEROME A.)
14 CYGAN, individually, as)
15 designated officer of Alliance)
16 Property and Asset Management Inc)
17 and JOSEPH SAMUEL ANTHONY PUGLISE,)
18 individually, and as former)
19 designated officer of Alliance)
20 Property and Asset Management Inc,)

A C C U S A T I O N

21 Respondents.)

22 The Complainant, Maria Suarez, a Deputy Real Estate
23 Commissioner of the State of California, for cause of Accusation
24 against ALLIANCE PROPERTY AND ASSET MANAGEMENT INC, JEROME A.
25 CYGAN, individually, as designated officer of Alliance Property
26 and Asset Management Inc and JOSEPH SAMUEL ANTHONY PUGLISE,
27 individually, and as former designated officer of Alliance
Property and Asset Management Inc, alleges as follows:

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1 1.

2 The Complainant, Maria Suarez, acting in her official
3 capacity as a Deputy Real Estate Commissioner of the State of
4 California, makes this Accusation against ALLIANCE PROPERTY AND
5 ASSET MANAGEMENT INC, JEROME A. CYGAN and JOSEPH SAMUEL ANTHONY
6 PUGLISE.

7 2.

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

11 LICENSE HISTORY

12 3.

13 A. ALLIANCE PROPERTY AND ASSET MANAGEMENT INC
14 ("ALLIANCE") presently has license rights issued by the
15 Department of Real Estate ("Department") as a corporate real
16 estate broker.

17 B. At all times mentioned, JEROME A CYGAN ("CYGAN")
18 was licensed and/or had license rights issued by the Department
19 as a real estate broker. CYGAN was originally licensed as a real
20 estate broker on January 4, 2001.

21 C. At all times mentioned, JOSEPH SAMUEL ANTHONY
22 PUGLISE ("PUGLISE") was licensed and/or had license rights issued
23 by the Department as a real estate broker. PUGLISE was
24 originally licensed as a real estate broker on April 19, 2006.

25 D. From April 7, 2010, through the present, ALLIANCE
26 has been licensed by the Department as a corporate real estate
27 broker by and through CYGAN, as the designated officer and broker

1 responsible, pursuant to Code Section 10159.2 for supervising the
2 activities requiring a real estate license conducted on behalf of
3 ALLIANCE, or by ALLIANCE's officers, agents and employees.

4 E. From November 15, 2008, through April 6, 2010,
5 ALLIANCE was licensed by the Department as a corporate real
6 estate broker by and through PUGLISE, as the designated officer
7 and broker responsible, pursuant to Code Section 10159.2 for
8 supervising the activities requiring a real estate license
9 conducted on behalf of ALLIANCE, or by ALLIANCE's officers,
10 agents and employees.

11 BROKERAGE

12 ALLIANCE PROPERTY AND ASSET MANAGEMENT INC

13 4.

14 At all times mentioned, in the City of Yorba Linda,
15 County of Orange, ALLIANCE, CYGAN and PUGLISE acted as real
16 estate brokers conducting licensed activities within the meaning
17 of Code Section 10131(b): leasing, renting, or offering to lease
18 or rent and collecting rent from real property of another.

19 AUDIT

20 ALLIANCE PROPERTY AND ASSET MANAGEMENT INC

21 5.

22 On July 15, 2011, the Department completed an audit
23 examination of the books and records of ALLIANCE pertaining to
24 the activities described in Paragraph 4 which require a real
25 estate license. The audit examination covered a period of time
26 from June 1, 2009 to May 31, 2011. The audit examination
27 revealed violations of the Code and the Regulations as set forth

1 in the following paragraphs, and as more fully discussed in Audit
2 Report LA100270 and the exhibits and workpapers attached to said
3 audit report.

4 VIOLATIONS OF THE REAL ESTATE LAW

5 6.

6 In the course of activities described in Paragraph 4
7 above and during the examination period described in Paragraph 5,
8 Respondents ALLIANCE, CYGAN and PUGLISE acted in violation of the
9 Code and the Regulations in that:

10 (a) There was a shortage of \$40,402.49 in trust funds
11 in one of ALLIANCE's bank accounts as of May 31, 2011. There was
12 also a shortage of \$41,403.78 in trust funds the same bank
13 account as of January 31, 2011. There was no evidence that the
14 owners of the trust funds gave ALLIANCE written consent to reduce
15 the balance in the bank account to less than the aggregate
16 liabilities of ALLIANCE to all owners of the trust funds, in
17 violation of Code Section 10145 and Regulation 2832.1.

18 (b) The control record maintained for the receipt and
19 disbursement of trust funds was incomplete. The control record
20 was missing the check number of some disbursements, in violation
21 of Code Section 10145 and Regulation 2831.

22 (c) The separate records maintained for all receipts
23 and disbursements of trust funds were inaccurate and incomplete,
24 in violation of Code Section 10145 and Regulation 2831.1.

25 (d) ALLIANCE did not maintain a monthly reconciliation
26 of all the separate records to the control record of all trust
27

1 funds received and disbursed during the audit period, in
2 violation of Code Section 10145 and Regulation 2831.2.

3 (e) The bank account used for trust funds received and
4 disbursed was not designated as a trust account on the bank
5 signature card, in violation of Code Section 10145 and Regulation
6 2832.

7 (f) CYGAN and PUGLISE were not signers on the bank
8 account that was used for trust funds. An unlicensed employee
9 without fidelity bond insurance was a signer on the bank account,
10 in violation of Code Section 10145 and Regulation 2834.

11 (g) ALLIANCE commingled trust funds from its property
12 management activity with its own funds. ALLIANCE over-disbursed
13 property management fee and transferred the excess trust funds
14 into their general business account, in violation of Code Section
15 10145 and Regulation 10176(e).

16 (h) ALLIANCE did not disclose to property owners that
17 it received bank charges offsets on the basis of the deposit of
18 the property owner's trust funds, in violation of Code Section
19 10176(g).

20 (i) CYGAN and PUGLISE did not exercise adequate
21 supervision over the activities of ALLIANCE to ensure compliance
22 with the Real Estate Law and Regulations, in violation of Code
23 Sections 10177(h) and 10159.2 and Regulation 2725.

24 7.

25 The conduct of Respondents ALLIANCE, CYGAN and PUGLISE,
26 described in Paragraph 6, above, violated the Code and the
27 Regulations as set forth below:

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PARAGRAPH

PROVISIONS VIOLATED

- 6 (a) Code Section 10145 and Regulation 2832.1
- 6 (b) Code Section 10145 and Regulation 2831
- 6 (c) Code Section 10145 and Regulation 2831.1
- 6 (d) Code Section 10145 and Regulation 2831.2
- 6 (e) Code Section 10145 and Regulation 2832
- 6 (f) Code Section 10145 and Regulation 2834 (CYGAN and PUGLISE)
- 6 (g) Code Section 10145 and Regulation 10176(e)
- 6 (h) Code Section 10176(g)
- 6 (i) Code Sections 10177(h) and 10159.2 and Regulation 2725 (CYGAN and PUGLISE)

The foregoing violations constitute cause for the suspension or revocation of the real estate licenses and license rights of ALLIANCE, CYGAN and PUGLISE under the provisions of Code Sections 10176(e), 10176(g), 10177(d) and/or 10177(g) and CUGAN and PUGLISE under the provisions of Code Section 10177(h).

1 NEGLIGENCE

2 8.

3 The overall conduct of Respondents ALLIANCE, CYGAN and
4 PUGLISE constitutes negligence or incompetence. This conduct and
5 violation are cause for the suspension or revocation of the real
6 estate license and license rights of said Respondents pursuant to
7 Code Section 10177(g).

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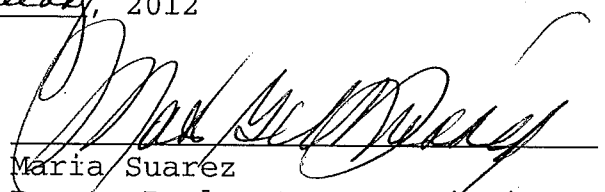
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1 WHEREFORE, Complainant prays that a hearing be conducted
2 on the allegations of this Accusation and that upon proof thereof,
3 a decision be rendered imposing disciplinary action against all
4 licenses and license rights of Respondents ALLIANCE PROPERTY AND
5 ASSET MANAGEMENT INC and JEROME A. CYGAN, individually, and as
6 designated office of Alliance Property and Asset Management Inc,
7 and JOSEPH SAMUEL ANTHONY PUGLISE, individually, and as former
8 designated officer of Alliance Property and Asset Management Inc,
9 under the Real Estate Law, that Complainant be awarded its costs
10 of investigation and prosecution of this case, and for such other
11 and further relief as may be proper under the provisions of law.

12 Dated at Los Angeles, California

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14 this 16th day of February, 2012

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16 
17 Maria Suarez
18 Deputy Real Estate Commissioner

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23 cc: ALLIANCE PROPERTY AND ASSET MANAGEMENT INC
24 JEROME A. CYGAN
25 JOSEPH SAMUEL ANTHONY PUGLISE
26 Maria Suarez
27 Sacto
Audits