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DEPARTMENT OF REAL ESTATE
BY: [Signature]

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of	}	No. H- 38839 LA
NANCY VERONICA CEA,		<u>A C C U S A T I O N</u>
Respondent.		

The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, acting in her official capacity, for cause of Accusation against NANCY VERONICA CEA, is informed and alleges as follows:

1.

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

2.

At all times mentioned, NANCY VERONICA CEA ("CEA"), was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On August 22, 1997, CEA was originally licensed as a real estate broker. On May 8, 2009, in Case No. H-34967 LA, Respondent CEA real estate broker licensed was revoked with right to and issuance of a restricted broker license, as more fully set forth in Paragraph 11.

1 3.

2 At all times mentioned, in the City of Tustin, County of Orange, Respondent CEA
3 acted as a real estate broker and conducted licensed activities within the meaning of:

4 A. Code Section 10131(a). Respondent CEA engaged in the business of, acted in
5 the capacity of, advertised or assumed to act as a real estate broker, including the solicitation for
6 listings of and the negotiation of the sale of real property as the agent of others, and

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

12 FIRST CAUSE OF ACCUSATION

13 (Audit)

14 4.

15 On March 30, 2012, the Department completed an audit examination of the books
16 and records of CEA, pertaining to the real estate sales and broker-escrow activities described in
17 Paragraph 3, which require a real estate license. The audit examination covered a period of time
18 beginning on January 1, 2010 to September 30, 2011. The audit examination revealed violations
19 of the Code and the Regulations as set forth below, and more fully discussed in Audit Report LA
20 110039 (Real Estate Sales) and LA 110075 (Broker Escrow) and the exhibits and work papers
21 attached.

22 5.

23 At all times mentioned, in connection with the activities described in Paragraph 4,
24 above, CEA accepted or received funds including funds in trust (hereinafter "trust funds") from
25 or on behalf of actual or prospective parties to transactions handled by CEA including property
26 owners and tenants. CEA maintained the following three trust accounts:
27

1. BA #1

Bank Name: Union Bank
Bank Address: 500 South Main Street, Orange, CA 92868
Account Name: Nancy Veronica Cea
Four Star Escrow
Account No.: [REDACTED]
Signatories: Nancy Cea, real estate broker
Description: BA #1 was used for broker escrow activities. This account was closed in December 2010.

2. BA #2

Bank Name: Union Bank
Bank Address: 500 South Main Street, Orange, CA 92868
Account Name: Nancy Veronica Cea
Four Star Escrow
Account No.: [REDACTED]
Signatories: Nancy Cea, real estate broker; and,
Itzummy G. Vega (unlicensed).
Description: BA #2 was used for broker escrow activities. Cea ceased using Bank Account #2 for broker escrow activities in September 2011.

3. BA #3

Bank Name: Union Bank
Bank Address: 500 South Main Street, Orange, CA 92868
Account Name: Nancy Veronica Cea
Four Star Escrow
Account No.: [REDACTED]
Signatories: Nancy Cea, real estate broker
Description: Bank Account #3 is used for broker escrow activities beginning September 2011.

6.

With respect to the licensed activities referred to in Paragraphs 3 and 4, and the audit examination including the exhibits and work papers referenced in Paragraph 4, it is alleged that respondent CEA:

(a) Permitted, allowed or caused the disbursement of trust funds from BA #1 through BA #3 where the disbursement of funds reduced the total of aggregate funds in B/A #1, to an amount which, on July 31, 2010, was \$21,622.75 less than the existing aggregate trust fund liability of CEA to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, in violation of Code Sections 10145 and 10176(i) and Regulations 2832.1 and 2950(g);

(b)(1) Failed to maintain an accurate control record in the form of a columnar record in chronological order of all trust funds received for BA #1 through BA #3, in violation of Code Section 10145, Regulation 2831, 2950(d) and 2951, and

(b)(2) Failed to maintain an accurate control record in the form of a separate record for each beneficiary, in violation of Code Section 10145, Regulation 2831.1, 2950(d) and 2951;

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

(d) BA #1 through BA #3 were not in the name of the broker as trustee at a bank or other financial institution, nor designated as a trust account, in violation of Code Section 10145 and Regulation 2832(a).;

(e) Permitted Itzamy E. Véga, an unlicensed and unbonded person, to be authorized signatory on the trust accounts BA #1 through BA #3, in violation of Code Section 10145 and Regulation 2834;

1 (f) Failed to retain copies of cancelled checks for BA #1 through BA #3, in
2 violation of Code Section 10148 and Regulation 2950(d);

3 (g) Used the fictitious name of "Mission Hill Real Estate Inc.", to conduct
4 licensed activities, without first obtaining from the Department a license bearing said fictitious
5 business name, in violation of Code Section 10159.5 and Regulation 2731;

6 (h) Performed acts for which a real estate license is required, including executing
7 purchase agreements, listing agreements and final settlement statements indicating Respondent
8 CEA was operating under the corporate name of Mission Hill Real Estate Inc., wherein no such
9 corporation is licensed by the Department, in violation of Code Section 10130;

10 (i) Failed upon closing of an escrow transaction to render to each principal in the
11 transaction a written statement of all receipts and disbursements together with the name of the
12 person to whom any such disbursement is made, in violation of Code Section 10145 and
13 Regulation 2950(i); and
14
15

16 (j) Compensated Karina Aguirre, who she knew was not licensed by the
17 Department to CEA, as a real estate broker or as a real estate salesperson employed by a real
18 estate broker, for performing acts for which a real estate license is required, in violation of Code
19 Section 10137.
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7.

The conduct of Respondent CEA described in Paragraph 6, violated the Code and the Regulations as set forth:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
6(a)	Code Sections 10145 and 10176(i) and Regulations 2832.1 and 2950(g)
6(b)	Code Section 10145 and Regulations 2831, 2831.1, 2950(d) and 2951
6(c)	Code Section 10145 and Regulation 2831.2
6(d)	Code Section 10145 and Regulations 2832(a)
6(e)	Code Section 10145 and Regulation 2834
6(f)	Code Section 10148 and Regulation 2950(d)
6(g)	Code Section 10159.5 and Regulation 2731
6(h)	Code Section 10130
6(i)	Code Section 10145 and Regulation 2950(i)
6(j)	Code Section 10137

Each of the foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of Respondent CEA under the provisions of Code Sections 10137, 10176(i), 10177(d) and/or 10177(g).

SECOND CAUSE OF ACCUSATION

(Negligence/Incompetence)

8.

The overall conduct of Respondent CEA constitutes negligence or incompetence. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of Respondent pursuant to Code Section 10177(g).

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1 THIRD CAUSE OF ACCUSATION

2 (Breach of Fiduciary Duty)

3 9.

4 The overall conduct of Respondent CEA constitutes a breach of fiduciary duty.
5 This conduct and violation is cause for the suspension or revocation of the real estate license and
6 license rights of said Respondents pursuant to the provisions of Code Sections 10176(i) and/or
7 10177(g).

8 FIFTH CAUSE OF ACCUSATION

9 (Failure to Supervise)

10 10.

11 The overall conduct of CEA constitutes a failure to exercise supervision and
12 control over the licensed activities of Respondent's brokerage. Nor did CEA maintain a system
13 in place for regularly monitoring his compliance with the Real Estate Law especially in regard to
14 establishing policies to reviewing trust fund handling and record keeping for Respondent's
15 client's trust funds, in violation of Code Sections 10177(d) and/or 10177(g) and 10177(h).

16 PRIOR DEPARTMENT ACTION

17 11.

18 On May 23, 2008, in Case No. H-34967 LA, an Accusation was filed against
19 Respondent NANCY VERONICA CEA that resulted in stipulated discipline including a
20 restricted real estate broker license on terms and conditions for said Respondent for violations of
21 Sections 10145 and 10161.8 of the California Business and Professions Code and Sections 2831,
22 2831.1, 2831.2, 2832.1, 2834 and 2950(d) of Title 10, Chapter 6, California Code of Regulations,
23 effective March 31, 2009.

24 12.

25 Code Section 10106 provides, in pertinent part, that in any order issued in
26 resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner
27

1 may request the administrative law judge to direct a licensee found to have committed a violation
2 of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement
3 of the case.

4 13.

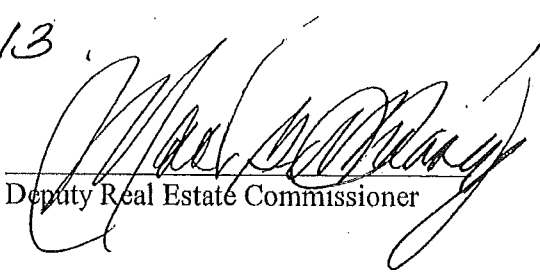
5 Code Section 10148(b) provides, in pertinent part the Commissioner shall charge
6 a real estate broker for the cost of any audit, if the commissioner has found in a final decision
7 following a disciplinary hearing that the broker has violated.
8

9 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of
10 this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
11 action against the license and license rights of Respondent NANCY VERONICA CEA, under
12 the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such
13 other and further relief as may be proper under other applicable provisions of law including
14 restorral of trust fund shortage of \$21,622.75, costs of audits pursuant to Code Section 10148
15 and costs of investigation and enforcement pursuant to Code Section 10106.
16
17 and costs of audit.
18

19 Dated at Los Angeles, California

20 this

25 April 2013

21
22 
23 Deputy Real Estate Commissioner

24 cc: Nancy Veronica Cea
25 Maria Suarez
26 Sacto
27 Audits – Kon Naly