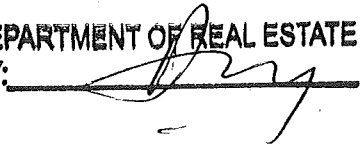


1 Elliott Mac Lennan, Counsel (SBN 66674)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6982
6 (Direct) (213) 576-6911

FILED

JUL -2 2013

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 ARGON ENTERPRISES INC. doing business) No. H- 38935 LA
13 as Pacific Properties Realty, Pacific Home)
14 Lenders, and Coastline Escrow;) ACCUSATION
15 ARMANDO GONZALEZ, individually)
16 and as designated officer of Argon Enterprises)
17 Inc.; and)
18 ISSAC CHIJOKE EZEANIOMA,)
19 Respondents,)

20 The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State
21 of California, for cause of Accusation against ARGON ENTERPRISES INC. ("AEI") doing
22 business as Pacific Properties Realty, Pacific Home Lenders, and Coastline Escrow; and
23 ARMANDO GONZALEZ ("GONZALEZ"), individually and as designated officer of Argon
24 Enterprises Inc. (collectively "Respondents"), is informed and alleges as follows:

25 1.

26 The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State
of California, makes this Accusation in her official capacity.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

2.

From March 03, 2006, Respondent AEI has been licensed as a real estate corporation. At all times relevant herein, AEI was acting by and through Respondent GONZALEZ as its designated broker-officer from inception to date, pursuant to Business and Professions Code ("Code") Section 10159.2 to be responsible for ensuring compliance with the Real Estate Law.

3.

From January 29, 2004, through the present, Respondent GONZALEZ has been licensed as a real estate broker.

4.

From October 20, 2006, through the present, Respondent EZEANIOMA has been licensed as a real estate salesperson. EZEANIOMA was employed by AGI between August 8, 2007 and April 20, 2008. From April 20, 2008, EZEANIOMA has been non broker affiliated.

5.

AEI is owned and operated by Respondent GONZALEZ

6.

Whenever reference is made in an allegation in this Accusation to an act or omission of "Respondents", such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with Respondents committed such act or omission while engaged in the furtherance of the business or operations of Respondents and while acting within the course and scope of their corporate authority and employment including GONZALEZ and EZEANIOMA.

///

///

///

///

1 FIRST CAUSE OF ACCUSATION
2 (Broker Office Survey)

3 7.

4 At all times mentioned, in the City of Hawthorne, County of Los Angeles,
5 Respondents AEI and GONZALEZ acted as real estate brokers and conducted licensed activities
6 within the meaning of:

7 A. Code Section 10131(a). Respondents engaged in the business of a residential
8 resale brokerage and acted in the capacity of, advertised or assumed to act as real estate brokers,
9 including the solicitation and negotiation of the sale of real property as the agent of others;

10 B. Code Section 10131(d). Respondents AEI and GONZALEZ operate as a
11 mortgage and loan broker, including soliciting borrowers and lenders and negotiating and
12 servicing loans on real property; and,

13 C. In addition, AEI conducted broker-controlled escrows through its escrow
14 division, Coastline Escrow, under the exemption set forth in California Financial Code Section
15 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction
16 where the broker is a party and where the broker is performing acts for which a real estate license
17 is required.
18

19 D. Code Section 10132. Respondent EZEANIOMA is a real estate salesperson.
20

21 8.

22 On July 20, 2012, the Department conducted a broker office survey of the books
23 and records of Respondent AEI pertaining to the residential resale, mortgage loan brokerage and
24 broker-controlled escrow activities described in Paragraph 6, which require a real estate license.
25 The broker office survey revealed violations of the Code and the Title 10, Chapter 6, California
26 Code of Regulations ("Regulations") set forth in the following paragraphs.,

Violations of the Real Estate Law

9.

In the course of activities described in Paragraph 7, above, and during the broker office survey, described in Paragraph 8, Respondents AEI, GONZALEZ, and EZEANIOMA acted in violation of the Code and the Regulations in that Respondents:

(a) AEI and GONZALEZ. Failed to maintain a control record in the form of a columnar record in chronological order for AEI's trust funds related to AEI's escrow operation, Coastline Escrow, in violation of Code Section 10145 and Regulations 2831, 2950(d) and 2951;

(b) AEI and GONZALEZ. Failed to maintain a separate record for each beneficiary or transaction for AEI's trust funds related to AEI's escrow operation, in violation of Code Section 10145 and Regulations 2831.1, 2950(d) and 2951;

(c) AEI and GONZALEZ.. AEI and GONZALEZ. 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 AEI's escrow operation, in violation of Code Section 10145 and Regulations 2831.2, 2950(d) and 2951;

(d) AEI and GONZALEZ. Permitted Vivian Cabrera, a real estate salesperson and escrow officer not licensed under either AGI or GONZALEZ, unlicensed and unbonded persons, to be an authorized signatory on the escrow trust account, in violation of Code Section 10145 and Regulation 2834(a) and 2834(b)(2);

///

///

(e) AEI and GONZALEZ. Failed to maintain the office, place of books, records accounts, safes , files and papers relating to AGI's escrow operation, Coastline Escrow, in violation of Code Section 10145, Regulations 2950(e) and 2951;

(f) AEI and GONZALEZ. Failed to include the statement of the negotiability of real estate commissions in some of the Residential Listing Agreements and Residential Purchase Agreement and Joint Escrow Instructions in not less than 10-point boldface type, in violation of Code Section 10147.5(a); and

(g) GONZALEZ. Failed to exercise reasonable control and supervision over the activities conducted by AEI's employees including EZEANIOMA and/or licensees as necessary to secure full compliance with the Real Estate laws, as required under Code Section 10159.2 and Regulation 2725, in violation of Code Section 10177(h).

10.

The conduct of Respondents AEI and GONZALEZ, described in Paragraph 9, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
9(a)	Code Section 10145 and Regulations 2831, 2950(d) and 2951
9(b)	Code Section 10145 and Regulations 2831.1, 2950(d) and 2951
9(c)	Code Section 10145 and Regulations 2831.2, 2950(d) and 2951
9(d)	Code Section 10145 and Regulations 2834, 2950(d) and 2951
9(e)	Code Section 10145 and Regulations 2950(d), 2950(e) and 2951
9(f)	Code Section 10147.5
9(g)	Code Sections 10177(h) and 10159.2 and Regulation 2725 (GONZALEZ)

///

///

1 The foregoing violations constitute cause for discipline of the real estate licenses and license
2 rights of Respondents AEI and GONZALEZ under the provisions of Code Sections 10177(d)
3 and/or 10177(g), and 10177(h) (GONZALEZ).
4

5 SECOND CAUSE OF ACCUSATION
6 (7814 Halldale Avenue, Los Angeles, California)

7 11.

8 On July 20, 2012, the Department completed an investigation of AEI,
9 GONZALEZ and EREANIOMA pertaining to said Respondents real estate sales brokerage and
10 broker-controlled escrow described in Paragraph 7, which require a real estate license.

11 12.

12 On February 1, 2010, a Residential Listing Agreement ("Listing Agreement")
13 was entered into by Karen Smith, for her property, 7814 Halldale Avenue, Los Angeles,
14 California ("the Halldale") property.
15

16 13.

17 On May 29 and 30, 2010, a California Residential Purchase Agreement and Joint
18 Escrow Instructions" (Purchase Agreement) dated May 29/30, 2010, was executed between
19 Karen Smith, seller, and BRC Capital REO III, LLC ("BRC"), buyer. EREANIOMA
20 represented Karen Smith as the listing agent on behalf of AEI, and Sue Trainoff ("Trainoff"),
21 real estate salesperson, represented BRC as the selling agent on behalf of AEI. On May 29/30,
22 2010, Sale Escrow Instructions were prepared by Coastline Escrow, AEI's broker-controlled
23 escrow, in connection with the Halldale property sale. Said instructions state that
24 EREANIOMA was the listing agent for the seller.
25

26 ///

14.

On June 13, 2010, a "Real Estate Transfer Disclosure Statement" ("TDS") was signed by EREANIOMA, as listing agent acting on behalf of AEI.

15.

On June 14, 2010, a "Cooperating Broker Compensation Agreement and Escrow Instruction" ("CBC Agreement") was signed by EREANIOMA, as listing agent on behalf of AEI. Said agreement expressed that three percent (3%) commission would be paid from the listing broker's commission to the cooperating broker firm and agent.

16.

On 6/17/10, a "Statewide Buyer and Seller Advisory", "Natural Hazard Disclosure Statement", "Lead-Based Paint and Lead-Based Paint Hazards Disclosure, and Acknowledgment and Addendum", for the Lead Disclosure, were signed by EREANIOMA, listing agent on behalf of AEI.

17.

On July 2, 2010, escrow closed on the Halldale property sale.

18.

July 6, 2010, Coastline Escrow issued a check payable to Pacific Properties Realty in the amount of \$4,890, representing commission paid to listing broker AEI.

19.

On July 9, 2010, after the close of the subject escrow, a "Disclosure Regarding Real Estate Agency Relationships" was signed by EZEANIOMA, as listing agent on behalf of AEI, and Smith, seller.

1 20.

2 On July 13, 2010, AEI issued a check to EZEANIOMA in the amount of \$3,495.

3 Said check was cashed the same day by EZEANIOMA.

4 21.

5 Violation of the Real Estate Law

6 A. The conduct of Respondents AGI and GONZALEZ, as alleged and described
7 in Paragraphs 11 through 20, above, violated Code and Regulations hereunder, under the
8 provisions as set forth below:

9 B. Code Section 10137 for compensating EREANIOMA who was non broker
10 affiliated during the tenure of the Halldale transaction.

11 22.

12 Violation of the Real Estate Law

13 A. The conduct of Respondent EREANIOMA, as alleged and described in
14 Paragraphs 11 through 20, above, violated Code and Regulations hereunder, under the provisions
15 as set forth below:

16 B. Code Section 10137 for receiving compensation from AGI was not his
17 affiliated or employing brokered during the tenure of the Halldale transaction.

18 THIRD CAUSE OF ACCUSATION
19 (Negligence)

20 23.

21 The overall conduct of Respondents AEI, GONZALEZ, and EZEANIOMA
22 constitutes negligence and is cause for discipline of the real estate license and license rights of
23 said Respondents pursuant to the provisions of Code Section 10177(g).

24 ///

25 ///

26 ///

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6

The conduct, acts and omissions of Respondents AEI, GONZALEZ, and EZEANIOMA constitute a breach of fiduciary duty, owed to AEI's clients and trust fund beneficiaries of good faith, trust, confidence and candor, within the scope of their contractual and escrow relationship, in violation of Code Section 10177(g) and constitutes cause for discipline of the real estate license and license rights of said Respondents pursuant to the provisions of said Code Sections.

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

The overall conduct of Respondent GONZALEZ constitutes a failure on said Respondent's part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of AEI as required by Code Section 10159.2 and Regulation 2725, and to keep AEI in compliance with the Real Estate Law, and is cause for discipline of the real estate license and license rights of Respondents pursuant to the provisions of Code Sections 10177(d), 10177(g) and 10177(h).

Code Section 10106 provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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 ARGON ENTERPRISES INC. ,
4 ARMANDO GONZALEZ, individually and as designated officer of Argon Enterprises Inc., and
5 ISSAC CHIJIOTE EZEANIOMA under the Real Estate Law (Part 1 of Division 4 of the
6 California Business and Professions Code) and for such other and further relief as may be proper
7 under other applicable provisions of law, including, but not limited to restitution, costs of
8 investigation and enforcement..
9

10
11 Dated at Los Angeles, California.
12

13 this 1 day of July, 2013.
14

15 
16 ROBIN TRUJILLO
17 Deputy Real Estate Commissioner
18
19
20
21
22

23 cc: Argon Enterprises Inc.
24 Armando Gonzalez
25 Issac Chijioke Ezeanioma
26 Summer Bakotich
Sacto