

FILED

NOV 20 2013

DEPARTMENT OF REAL ESTATE
BY: 

MARTHA J. ROSETT, Counsel (SBN 142072)
Bureau of Real Estate
320 West Fourth St. #350
Los Angeles, CA 90013

(213) 576-6982
(213) 620-6430

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H- 39176 LA
)	
PROPERTY MASTERS REALTY,)	<u>ACCUSATION</u>
a corporate real estate broker;)	
ERIK KRISTIAN REPPE;)	
individually and as designated broker-officer)	
of Property Masters, Inc.; and)	
DAVID STANLEIGH KROHN,)	
)	
Respondents.)	

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner, for cause of Accusation against PROPERTY MASTERS REALTY, a corporate real estate broker; ERIK KRISTIAN REPPE, individually and as designated broker-officer of Property Master Realty; and DAVID STANLEIGH KROHN, is informed and alleges as follows:

1.

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

///

2.

1
2 Respondent PROPERTY MASTERS REALTY (“PROPERTY MASTERS”) is a
3 California corporation and is licensed and/or has license rights as a corporate real estate broker.
4 PROPERTY MASTERS was originally licensed as a real estate broker on April 2, 2002.
5 PROPERTY MASTERS is licensed to conduct real estate activities by and through Respondent
6 ERIK KRISTIAN REPPE as its broker-officer designated pursuant to Business and Professions
7 Code (“Code”) Section 10159.2 to be responsible for ensuring PROPERTY MASTERS’
8 compliance with the Real Estate Law.
9

10 3.

11 Respondent ERIK KRISTIAN REPPE, dba Property Masters, dba Property
12 Masters Home Inspection (“REPPE”) is licensed and/or has license rights as a real estate broker.
13 REPPE was originally licensed by the Bureau as a broker on or about September 25, 2001, and
14 was licensed as a salesperson prior to that time. As set forth above, REPPE is the designated
15 broker-officer of PROPERTY MASTERS and is responsible for supervising the activities of the
16 corporation to ensure compliance with the Real Estate Law. REPPE was an owner of
17 PROPERTY MASTERS.
18

19 4.

20 Respondent DAVID STANLEIGH KROHN (“KROHN”) is licensed by the
21 Bureau as a real estate salesperson. KROHN was originally licensed by the Bureau as a
22 salesperson on or about May 10, 2004. PROPERTY MASTERS was KROHN’s employing and
23 supervising broker of record. KROHN was an owner of PROPERTY MASTERS, along with
24 his wife Alisa Krohn and Respondent REPPE.
25

26 ///

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
27

5.

All further references to "Respondents" include the parties and entities listed in Paragraphs 2 through 4 above, as well as the officers, agents, affiliates and employees of the parties listed in Paragraphs 2 through 4 who were engaged in the furtherance of the business or operations of said parties and who were acting within the course and scope of their authority and employment.

6.

At all times material herein, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers in the State of California within the meaning of Code Sections 10131(a) and 10131(d). Their activities included representing another or others in the purchase, sale or exchange of real property and representing borrowers and lenders in obtaining and/or making loans secured by real property.

7.

At a date prior to November 29, 2010, Respondent PROPERTY MASTERS entered into a listing agreement with Katchadur Pogosyan and Pogosyan Holdings LLC (collectively referred to herein as "Pogosyan"), offering to represent Pogosyan in selling property located on Irvington Place in Los Angeles, California. Pogosyan was represented by Respondents PROPERTY MASTER, REPPE and KROHN.

8.

On or about November 29, 2010, Buyer AM ("Buyer AM") submitted an offer to purchase the property located on Irvington Place in Los Angeles, California ("Irvington Property") from Pogosyan for \$351,000.00. Buyer AM was represented by real estate salesperson Margaret Arana, an agent of broker Nourmand and Assoc. PROPERTY MASTER

9.

1
2 On or about December 9, 2010, Pogosyan accepted the offer, subject to a counter-offer in which
3 the sales price was increased to \$375,000.00. Pogosyan marked the box on Paragraph 30 of the
4 purchase agreement and dated it December 9, 2010. Paragraph 30 states:

5 "ACCEPTANCE OF OFFER: Seller warrants that Seller is
6 the owner of the Property, or has the authority to execute
7 this Agreement. Seller accepts the above offer, agrees to
8 sell the Property on the above terms and conditions, and
9 agrees to the above confirmation of agency relationships.
10 Seller has read and acknowledges receipt of a copy of this
11 agreement, and authorizes Broker to deliver a signed copy
12 to Buyer...SUBJECT TO THE ATTACHED COUNTER
13 OFFER."

14
15
16
17
18
19
20
21
22
23
24
25
26
27
10.

As part of Buyer AM's transaction, both Buyer AM and Pogosyan (as Seller)
signed a Short Sale Addendum. This Addendum indicated that the sale was a short sale and
contingent upon Lenders' approval of short sale terms.

11.

On December 14, 2010, Buyer AM accepted the counter-offer, and
Escrow No. 087351-ER was opened at Glen Oaks Escrow. Buyer, through her agent, requested
documents from Respondents regarding short sale approval from the Lenders, but did not receive
complete information. On December 30, 2010, Buyer AM submitted her deposit to escrow.

12.

On or about January 8, 2011, Buyer AM received a preliminary title report on the
Irvington Property and discovered that Pogosyan was not the legal owner of the property when
she accepted his counter-offer from him. In fact, as Respondents knew, Pogosyan's purchase of
the Irvington Property from the original legal owners did not close until December 29, 2010. In

1 addition, Buyer AM learned that her purchase would not be a short sale.

2 13.

3 As Buyer AM later discovered, and Respondents each well knew, on or about
4 July 1, 2010, the original legal owners of the Irvington Property accepted an offer from
5 Pogosyan to purchase the property for \$290,000.00. PROPERTY MASTERS, through
6 Respondent REPPE and sales agent Robert Estrada, represented both Pogosyan and the original
7 legal owners of the Irvington Place property in the transaction. The escrow on the Pogosyan
8 transaction, Escrow No. 082902-SR, was also handled at Glen Oaks Escrow, and was not opened
9 until on or about December 10, 2010. Pogosyan's offer to purchase the property was in July of
10 201, and escrow was not completed until December 29, 2010. Pogosyan was therefore not the
11 legal owner of the property at the time he accepted Buyer AM's offer to purchase the property.

12 14.

13 Respondents KROHN and PROPERTY MASTERS made the following
14 misrepresentations/or omissions to Buyer AM when she offered to purchase the Irvington
15 Property:
16
17

18 (a) That Pogosyan was the legal owner of the property.

19 (b) That the sale of the Irvington Property to AM would be through the short sale
20 process, requiring additional layers of approval from the lenders.

21 (c) Respondents failed to disclose that the legal owners had accepted an offer
22 from Pogosyan to purchase the property for \$290,000.00, which offer was pending at the time
23 she made her offer to purchase the property for \$351,000.00.

24 15.

25 Respondents REPPE and PROPERTY MASTERS did not disclose Buyer AM's
26
27

1 offer to purchase the Irvington Property on November 29, 2010 for \$375,000.00 to the legal
2 owners or to the lenders.

3 16.

4 Upon discovery of the true status of title to the Irvington Property, Buyer AM,
5 Pogosyan were required to execute new escrow documents and a new purchase agreement.
6 Buyer AM was not able to obtain loan approval, and was not able to purchase the property.
7

8 17.

9 The conduct, acts and/or omissions of Respondents PROPERTY MASTERS,
10 REPPE, and KROHN, in making material misrepresentations of fact, and in failing to disclose
11 material facts, as set forth above, constitutes grounds to revoke or suspend Respondents'
12 licenses and license rights pursuant to Business and Professions Code Sections 10176(a),
13 10177(d), 10176(i), 10177(g) and/or 10177(j).
14

15 18.

16 The conduct, acts and/or omissions of Respondents PROPERTY MASTERS,
17 REPPE, and KROHN in procuring Buyer AM's and "Seller" Pogosyan's signatures on a
18 purchase-sale agreement when Pogosyan did not yet own the Irvington Property, as set forth
19 above, and in failing to disclose the true facts of the Irvington Property transactions to Buyer AM
20 or to the lenders, constitutes dishonest dealing and is grounds to revoke or suspend Respondents'
21 licenses and license rights pursuant to Business and Professions Code Sections 10177(g),
22 10177(d), 10176(i) and/or 10177(j).
23

24 19.

25 The conduct, acts and/or omissions of Respondent REPPE, as the designated
26 broker officer of PROPERTY MASTERS, in failing to exercise adequate supervision of the
27

1 activities of PROPERTY MASTERS to ensure compliance with the real estate law, constitutes
2 grounds to revoke or suspend REPPE's real estate broker license and license rights pursuant to
3 Code Sections 10159.2 and 10177(h), in conjunction with Regulation 2725.

4 20.

5 Business and Professions Code Section 10106 provides, in pertinent part, that in
6 any order issued in resolution of a disciplinary proceeding before the Department, the
7 commissioner may request the administrative law judge to direct a licensee found to have
8 committed a violation of this part to pay a sum not to exceed the reasonable costs of the
9 investigation and enforcement of the case.
10

11 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
12 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
13 action against all licenses and/or license rights of Respondents PROPERTY MASTERS
14 REALTY, ERIK KRISTIAN REPPE, and DAVID STANLEIGH KROHN under the Real Estate
15 Law and for such other and further relief as may be proper under other applicable provisions of
16 law.
17

18 Dated at Los Angeles, California

19 this 26 day of November, 2013.
20

21 
22
23 ROBIN TRUJILLO
24 Deputy Real Estate Commissioner

25
26 cc: Property Masters Realty
27 Erick Reppe
David Stanleigh Krohn