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**FILED**

MAY 07 2014

BUREAU OF REAL ESTATE

By *John C. Guitt*

7 BEFORE THE BUREAU OF REAL ESTATE  
8 STATE OF CALIFORNIA

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10 In the Matter of the Accusation of )  
11 MONSTER MORTGAGE and )  
12 DUKE GEORGE DULGARIAN, )  
individually and as designated officer )  
13 of Monster Mortgage, )  
14 Respondents. )

No. H-39439 LA  
ACCUSATION

15 The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State  
16 of California, for cause of Accusation against MONSTER MORTGAGE and DUKE GEORGE  
17 DULGARIAN, individually and as designated officer of Monster Mortgage alleges as follows:

18 1.

19 The Complainant, Maria Suarez, acting in her official capacity as a Deputy Real  
20 Estate Commissioner of the State of California, makes this Accusation against MONSTER  
21 MORTGAGE and DUKE GEORGE DULGARIAN.

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2.

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.

3.

From November 4, 2004, through the present, MONSTER MORTGAGE has been licensed or has license rights issued by the Bureau (formerly Department) of Real Estate ("Bureau") as a corporate real estate broker, License ID 01456103. MONSTER MORTGAGE is licensed to do business as Monster Escrow and Score Properties. MONSTER MORTGAGE maintains a mortgage loan originator ("MLO") license endorsement, Nationwide Mortgage Licensing System, NMLS No. 390180.

4.

From April 22, 2011 to the present, DUKE GEORGE DULGARIAN ("DULGARIAN") has been licensed by the Bureau as a real estate broker, License ID 01160722. DULGARIAN is the owner and sole shareholder of MONSTER MORTGAGE.

5.

From June 22, 2012, through the present, MONSTER MORTGAGE acted as a corporate real estate broker by and through DULGARIAN, as the designated officer and broker responsible, pursuant to Code Section 10159.2 for supervising the activities requiring a real estate license conducted on behalf MONSTER MORTGAGE by MONSTER MORTGAGE's officers, agents, and employees, including DULGARIAN.

Former Disciplinary Action

6.

On July 28, 2011, the Bureau filed an Accusation against MONSTER MORTGAGE and Celia Azucena Centeno in Bureau Case No. H-37412 LA. The Accusation

1 was based on alleged violations found in the Bureau's previous audits of MONSTER  
2 MORTGAGE (Bureau Audit Nos. LA 090223 and LA 100052). A Stipulation and Agreement  
3 was reached between Respondent MONSTER MORTGAGE and the Bureau wherein a restricted  
4 broker license was issued to MONSTER MORTGAGE subject to certain terms and conditions  
5 set forth in the Stipulation and Agreement which became effective on June 22, 2012. Among  
6 those terms and conditions, the Bureau could perform a subsequent audit of Respondent  
7 MONSTER MORTGAGE to determine if MONSTER MORTGAGE was in compliance with the  
8 Real Estate Law and MONSTER MORTGAGE was responsible for the Bureau's reasonable  
9 costs for any subsequent audit, which were not to exceed \$10,545.

10 7.

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

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

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

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

20 D. In addition, MONSTER MORTGAGE conducted broker-controlled escrows  
21 through its escrow division, under the exemption set forth in California Financial Code Section  
22 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction  
23 where the broker was a party and where the broker was performing acts for which a real estate  
24 license is required.

Audit Nos. LA 120319 and LA 120320

8.

On July 23, 2013, the Bureau completed an audit examination of the books and records of MONSTER MORTGAGE pertaining to its property management and broker-escrow activities for the period of June 22, 2012 to May 31, 2013. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully set forth in Audit Reports LA 120319 (property management activity) and LA 120320 (broker-escrow activity), and the exhibits and work papers attached thereto.

Trust Accounts

9.

At all times mentioned, in connection with the activities described in Paragraph 8, above, MONSTER MORTGAGE accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties to transactions including property owners, tenants, buyers, sellers, lenders, and borrowers handled by MONSTER MORTGAGE and thereafter made deposits and or disbursements of such funds. From time to time herein mentioned during the audit period, said trust funds were deposited and/or maintained by MONSTER MORTGAGE in the bank accounts as follows:

Trust Account 1 ("T/A 1")

Account Name: "MONSTER MORTGAGE dba Score Properties Trust Account"

Account No.: XXXXXX2505

Signatories: DULGARIAN

Bank: Pacific Western Bank, Downey, California

Activity: Property Management Activity

1 Trust Account 2 ("T/A 2")  
2 Account Name: "MONSTER MORTGAGE dba Monster Escrow (A Non-Independent Broker  
3 Escrow"  
4 Account No.: XXX-XX722  
5 Signatories: DULGARIAN  
6 Bank: Pacific Western Bank, Downey, California  
7 Activity: Broker Escrow Activity

8 VIOLATIONS OF THE REAL ESTATE LAW

9 10.

10 In the course of activities described in Paragraph 8, above, and during the  
11 examination period described in Paragraph 8, Respondent MONSTER MORTGAGE acted in  
12 violation of the Code and the Regulations as follows:

13 11.

14 Property Management Activity (Audit No. LA 120319)

15 (Handling of Trust Funds/Commingling)

16 According to a review of T/A 1's bank statements, MONSTER MORTGAGE  
17 maintained funds totaling \$5,740.37 (\$4000 of MONSTER MORTGAGE's funds and \$1,740.37  
18 of leasing commission) as of May 31, 2013. At all times during the audit period, MONSTER  
19 MORTGAGE kept more than \$200 of its own funds in T/A 1. A review of MONSTER  
20 MORTGAGE's ledger (broker ledger) showed that it maintained a balance exceeding \$200. As  
21 of May 31, 2013, T/A 1 had a balance of \$4,000 of MONSTER MORTGAGE's funds and there  
22 were leasing commissions of \$1,740.37 which were earned prior to the audit period. According  
23 to DULGARIAN, MONSTER MORTGAGE did not disburse its funds from T/A 1 after the  
24

1 prior audits. Said acts are in violation of Code Sections 10145 and 10176(e), and Regulation  
2 2835.

3 12.

4 Broker Escrow Activity (Audit No. LA 120320)

5 (Handling of Trust Funds, Commingling, Broker-Escrows)

6 A review of T/A 2 showed that MONSTER MORTGAGE maintained a balance  
7 of \$1,427.12 of its own funds and \$72.88 of unidentified or unaccounted funds as of May 31,  
8 2013. At all times during the audit period, MONSTER MORTGAGE kept more than \$200 of its  
9 own funds in T/A 2. A review of MONSTER MORTGAGE's ledger (broker ledger) showed  
10 that it maintained a balance exceeding \$200. As of May 31, 2013, T/A 2 had a balance of  
11 \$1,742.12 of MONSTER MORTGAGE's funds.

12 13.

13 According to DULGARIAN, the \$1,472.12 funds noted above in Paragraph 12  
14 were due to an escrow receipt (#1043 for \$1,500) issued in error on October 3, 2007 for escrow  
15 transaction no. AU2054. Said escrow receipt was recorded on the separate ledger for Escrow  
16 No. AU2054. MONSTER MORTGAGE allegedly reviewed its T/A 2's trust fund records after  
17 the prior audits (Bureau Audit Nos. LA 090223 and LA 100052) and determined that \$1,500 in  
18 escrow trust funds were not received from buyer A. Valencia for Escrow No. AU2054 and there  
19 was no deposit of \$1,500 in trust funds in T/A 2 for that escrow.

20 14.

21 According to T/A 2's bank statement for October, 2007, provided by  
22 DULGARIAN, there was no deposit of \$1,500 in T/A 2 for Escrow No. AU2054. The \$1,500  
23 funds in Escrow No. AU2054 was accounted for as the accountability as of August 31, 2010, due  
24 to incomplete records having been provided by MONSTER MORTGAGE to the Bureau for the

1 Bureau's previous audits of MONSTER MORTGAGE (Bureau Audit Nos. LA 090223 and LA  
2 100052). The Bureau's previous audits noted that MONSTER MORTGAGE had a shortage of  
3 <\$3,350.16>, including the <\$1,500> as of August 31, 2010. A review of T/A 2's bank  
4 statement showed that DULGARIAN deposited \$3,350.16 into T/A 2 on December 22, 2011, to  
5 cure the shortage of \$3,350.16 noted in the previous audits. DULGARIAN deposited an  
6 additional \$1,427.12 on May 31, 2013, to cover the bank charged incurred during the audit  
7 period. Due to said deposit, T/A 2's funds included \$1,747.12 of MONSTER MORTGAGE's  
8 funds as of May 31, 2013. The acts alleged above in Paragraphs 12 through 14 are in violation  
9 of Code Sections 10145 and 10176(e), and Regulations 2831.2, 2835, and 2951.

10 15.

11 MONSTER MORTGAGE failed to provide written disclosure to all principals  
12 that DULGARIAN had an interest as a stockholder, officer, partner, or owner of Monster  
13 Escrow, in various escrow transactions including, but not limited to, Escrow Nos. EM2276,  
14 EM2265, EM2262, DD2254, and DD2242, in violation of Regulation 2950(h).

15 16.

16 The violations alleged above in Paragraphs 11 through 15, constitute cause for the  
17 suspension or revocation of the real estate license, MLO license endorsement, and license rights  
18 of Respondent MONSTER MORTGAGE under the provisions of Code Sections 10176(e),  
19 10177(d), and 10177(k), 10166.051(b), and 10166.05(c).

20 17.

21 The overall conduct of Respondent MONSTER MORTGAGE constitutes  
22 negligence or incompetence. This conduct and violations are cause for the suspension or  
23 revocation of the real estate licenses and license rights of MONSTER MORTGAGE pursuant to  
24 Code Section 10177(g).

1 FAILURE TO SUPERVISE

2 18.

3 The overall conduct of Respondent DULGARIAN constitutes a failure on his  
4 part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision  
5 and control over the licensed activities of MONSTER MORTGAGE as required by Code Section  
6 10159.2, and to keep MONSTER MORTGAGE in compliance with the Real Estate Law, and is  
7 cause for the suspension or revocation of the real estate license and license rights of  
8 DULGARIAN pursuant to the provisions of Code Sections 10177(h), 10177(d) and/or 10177(g).

9 19.

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

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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 DUKE GEORGE DULGARIAN, individually and as designated officer of Monster Mortgage,  
5 under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for  
6 such other and further relief as may be proper under other applicable provisions of law.

7 Dated at Los Angeles, California

8 this 5<sup>th</sup> day of May, 2014.

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10   
11 MARIA SUAREZ  
12 Deputy Real Estate Commissioner  
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21 cc: Monster Mortgage  
22 Duke George Dulgarian  
23 Maria Suarez  
24 Sacto  
Audits/Gina King