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FILED

OCT 20 2015

BUREAU OF REAL ESTATE

By 

8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H- 39998 LA
12)
JOEL LAURENCIO OLIVAS,) ACCUSATION
13)
Respondent.)
14)

15 The Complainant, Maria Suarez, a Supervising Special Investigator of the State
16 of California, acting in her official capacity, for cause of Accusation against JOEL
17 LAURENCIO OLIVAS ("Respondent") alleges as follows:

18 1.

19 All references to the "Code" are to the California Business and Professions
20 Code, all references to the "Real Estate Law" are to Part 1 of Division 4 of the California
21 Business and Professions Code, and all references to "Regulations" are to Title 10, Chapter 6,
22 California Code of Regulations.

23 2.

24 Respondent JOEL LAURENCIO OLIVAS is presently licensed and/or has
25 license rights under the Real Estate Law as a real estate broker. Respondent was originally
26 licensed as a real estate salesperson on November 27, 1996, and as a real estate broker on June
27 28, 2004. Respondent's real estate broker license is due to expire on June 27, 2016.

1 3.

2 From December 14, 2004, to November 26, 2013, Respondent was the
3 designated officer of licensed real estate corporate broker CBDR Investments, Inc., a
4 corporation owned by Respondent. From May 23, 2007, through March 28, 2013, CBDR
5 Investments, Inc. maintained the licensed fictitious business name Citywide Realty Alliance.
6 Beginning August 7, 2014, and continuing to the present, Respondent OLIVAS has registered
7 the fictitious business name Citywide Realty Alliance under his individual real estate broker
8 license.

9 4.

10 At all times mentioned, in the city of Fontana, County of San Bernardino,
11 Respondent engaged in the business of, acted in the capacity of, advertised, or assumed to act as
12 a real estate broker within the meaning of Code Section 10131(a), including the solicitation for
13 listings of and the negotiation of the purchase and sale of real property as the agent of others,
14 and the conducting of broker-controlled escrow activities under his real estate broker license
15 pursuant to Financial Code Section 17006(a)(4).

16 FIRST CAUSE OF ACCUSATION

17 (AUDIT OF OLIVAS)

18 5.

19 On May 29, 2015, the Bureau of Real Estate ("Bureau") completed an audit
20 examination of the books and records of Respondent OLIVAS, with regard to the real estate
21 sales and broker-controlled escrow activities described in paragraph 4, above. The audit
22 examination covered the period of time from January 1, 2013, to February 28, 2015. The
23 primary purpose of the examination was to determine Respondent's compliance with the Real
24 Estate Law. The audit examination revealed numerous violations of the Code and the
25 Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report
26 LA140131 and the exhibits and work papers attached to said audit report.

27 ///

1 Bank and Trust Accounts

2 6.

3 At all times herein relevant, in connection with the activities described in
4 Paragraph 4, above, Respondent accepted or received funds including funds to be held in trust
5 (“trust funds”) from or on behalf of actual or prospective parties in connection with the
6 purchase and sale of real property. Thereafter Respondent made deposits and disbursements of
7 such trust funds. From time to time herein mentioned during the audit period, said trust funds
8 were deposited and/or maintained by Respondent in the following bank accounts:

9
10 Rezzex Investments, Inc.
11 Account No. 622XXXX (Redacted for security)
12 Wells Fargo Bank
13 Fontana, CA

14 (B/A 1 – general account where escrow trust funds were deposited and disbursed)

15
16 Rezzex Investments, Inc.
17 Account No. 622XXXX (Redacted for security)
18 Wells Fargo Bank
19 Fontana, CA

20 (B/A 2 – general operating account)

21 Violations

22 7.

23 With respect to the licensed activities referred to in Paragraph 4, and the audit
24 examination including the exhibits and work papers referenced in Paragraph 5, it is alleged that

25 Respondents:

26 (a) Permitted, allowed or caused the disbursement of trust funds from bank
27 account B/A 1 to fall to an amount which, as of February 28, 2015, was \$99,252.39 less than
the existing aggregate trust fund liability to the owners of said funds, without first obtaining the
prior written consent of the owners of said funds in violation of Code Section 10145 and
Regulations 2832.1, 2950(d), 2950(g), and 2951;

///

1 (b) Failed to maintain a complete and accurate control record of trust funds
2 received in violation of Code Section 10145 and Regulations 2831, 2950(d), and 2951;

3 (c) Failed to maintain a separate record for each beneficiary of trust funds in
4 violation of Code Section 10145 and Regulations 2831.1, 2950(d), and 2951;

5 (d) Failed to perform a monthly reconciliation of the separate record to the
6 control record of trust funds handled through all bank accounts in violation of Code Section
7 10145 and Regulations 2831.2, 2950(d), and 2951;

8 (e) Placed trust funds received into general bank account B/A 1 which is not
9 designated as a trust account in the name of the broker in violation of Code Section 10145 and
10 Regulations 2832, 2950(d), and 2951;

11 (f) Commingled and converted trust funds to his own use by depositing trust
12 funds received in escrow into general account, B/A 1, and disbursing those trust funds without
13 written authorization from the owner of such funds in violation of Code Sections 10145,
14 10176(e), and 10176(i) and Regulations 2835, 2950(d), 2950(g) and 2951;

15 (g) Conducted activities that require a real estate license using the fictitious
16 business names "Citywide Realty," "Rezzex Invesments Inc.," and "Citywide Realty Escrow
17 Division," without first licensing those fictitious business names with the Bureau in violation of
18 Code Section 10159.5 and Regulation 2731;

19 (h) Failure to designate licensing agency and license number of escrow
20 holder on escrow instructions in violation of Code Section 10177(g), and Financial Code
21 Section 17403.4;

22 (i) Failed to disclose to all parties involved in real estate activities that
23 Respondent had an interest as an owner in the escrow operation, in violation of Regulation
24 2950(h); and

25 (j) Failed to exercise reasonable supervision over the activities of his
26 broker-controlled escrow operation, and over its employees, to ensure compliance with the Real
27

1 Estate Laws and the Commissioner's Regulations in violation of Code Sections 10159.2 and
2 10177(h) and Regulation 2725.

3 8.

4 The conduct of Respondents described in Paragraph 7, above, violated the Code
5 and the Regulations as set forth below:

6 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
7 7(a)	Code Section 10145 8 Regulations 2832.1, 2950(d), 2950(g), and 2951 9
10 7(b)	Code Section 10145 11 Regulations 2831, 2950(d), and 2951 12
13 7(c)	Code Section 10145 14 Regulations 2831.1, 2950(d), and 2951 15
16 7(d)	Code Section 10145 17 Regulations 2831.2, 2950(d), and 2951 18
19 7(e)	Code Section 10145 20 Regulations 2832, 2950(d), and 2951 21
22 7(f)	Code Sections 10145, 10176(e), and 10176(i) 23 Regulation 2835, 2950(d), 2950(g) and 2951 24
25 7(g)	Code Sections 10159.5 26 Regulations 2731 27

- 1 7(h) Code Section 10177(g)
2 Financial Code Section 17403.4
3
4 7(i) Regulation 2950(h)
5
6 7(j) Code Sections 10159.2 and 10177(h)
7 Regulation 2725
8

9 Each of the foregoing violations constitute cause for the suspension or
10 revocation of the real estate license and license rights of Respondents under the provisions of
11 Code Sections 10176(e), 10176(i), 10177(d), 10177(g), and/or 10177(h).

12 SECOND CAUSE OF ACCUSATION

13 (Conversion of Trust Funds)

14 Judi D.

15 9.

16 On or about September 15, 2014, Respondent entered into a residential real
17 estate purchase agreement as the real estate broker representing the seller for real property
18 located at 10242 Jennifer Avenue, Hesperia, California. Respondent collected an earnest
19 money deposit of \$5,000.00 from prospective buyer Judi D. along with the purchase offer.

20 10.

21 After three months, the transaction did not close and escrow was cancelled.
22 Respondent issued a refund check to the prospective buyer. At the time the check was issued,
23 Respondent had insufficient funds in bank account B/A 1 to honor that amount. Thereafter,
24 Respondent failed and refused to deposit funds into B/A 1 sufficient to enable the consumer to
25 obtain a refund of her earnest money deposit.

26 11.

27 The failure and refusal of Respondents to refund the earnest money deposit

1 entrusted to him in connection with a real estate transaction is a conversion of such funds in
2 violation of Code Sections 10145, 10176(e), 10176(i) and/or 10177(g) and subjects the real
3 estate licenses and license rights of Respondent to suspension or revocation pursuant to Code
4 Sections 10176(e), 10176(i), 10177(d) and/or 10177(g).

5 Maria V.

6 12.

7 On or about November 1, 2013, prospective homebuyer Maria V. hired
8 Respondent as her real estate broker in order to locate and purchase residential real property.
9 As instructed by Respondent, Maria V. deposited the sum of \$120,300.00 with Respondent to
10 be used as a down payment on the real estate sales purchase.

11 13.

12 Respondent failed to put the funds collected towards any real estate purchase
13 and, instead, converted the money to his own use in violation of Code Sections 10176(a),
14 10176(e), 10176(i), 10177(d), and/or 10177(g). Respondent has refused to refund any portion
15 of Maria V.'s money to her.

16 14.

17 Respondent's activities constitute a course of conduct which includes the two
18 consumers alleged above, by way of example, but is by no means limited to those named
19 consumers and their experiences.

20 15.

21 Code Section 10148(b) provides, in pertinent part, that the Real Estate
22 Commissioner shall charge a real estate broker for the cost of any audit if the Commissioner has
23 found in a final decision, following a disciplinary hearing, that the broker has violated Code
24 Section 10145 or a Regulation or rule of the Commissioner interpreting said Code section.

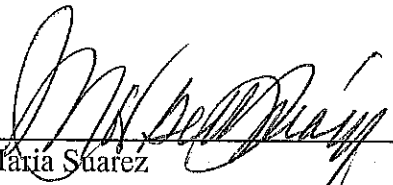
25 16.

26 California Business and Professions Code Section 10106 provides, in pertinent
27 part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, the

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

4
5 WHEREFORE, Complainant prays that a hearing be conducted on the
6 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
7 disciplinary action against the licenses and license rights of Respondent JOEL LAURENCIO
8 OLIVAS under the Real Estate Law, for the costs of the audit, for the costs of investigation and
9 enforcement as provided by law, and for such other and further relief as may be proper under
10 other applicable provisions of law.

11 Dated at Los Angeles, California: 30 September 2015.

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15 Maria Suarez
16 Deputy Real Estate Commissioner
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25 cc: Joel Laurencio Olivas
26 Maria Suarez
27 Audits – Zaky Wanis
Sacto.