

FILED

JUL 13 2017

BUREAU OF REAL ESTATE

By *Q. Deloria*

DIANE LEE, Counsel (SBN 247222)
Bureau of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013

Telephone: (213) 576-6982
(Direct) (213) 576-6907

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of

TOUCHSTONE PROPERTIES, INC.; and
KEVIN BRENT SAUNDERS, individually and
as designated officer of Touchstone Properties,
Inc.,

Respondents.

No. H40709 LA
ACCUSATION

The Complainant, Maria Suarez, a Supervising Special Investigator of the State of California, for cause of Accusation against Respondents TOUCHSTONE PROPERTIES, INC. ("TPI") and KEVIN BRENT SAUNDERS ("SAUNDERS"), individually and as designated officer of Touchstone Properties, Inc., is informed and alleges as follows:

1.

The Complainant, Maria Suarez, a Supervising Special Investigator of the State of California, makes this Accusation in her official capacity.

///

///

///

1 2.

2 Unless otherwise specified, all references to the "Code" are to the California
3 Business and Professions Code, and all references to "Regulations" are to Title 10, Chapter 6,
4 California Code of Regulations.

5 3.

6 A. TOUCHSTONE PROPERTIES, INC.: Respondent TPI is presently
7 licensed and/or has license rights issued by the Bureau of Real Estate as a real estate corporate
8 broker (license no. 01320469). TPI has been licensed as a corporate real estate broker from on
9 or about November 2, 2001 to the present. SAUNDERS has been the designated officer of TPI
10 for the entire time that TPI has been licensed as a corporate real estate broker.

11 B. KEVIN BRENT SAUNDERS: Respondent SAUNDERS is presently
12 licensed and/or has license rights issued by the Bureau of Real Estate as a real estate broker
13 (license no. 00969236) and designated officer of TPI. SAUNDERS was originally licensed as
14 real estate broker on or about October 2, 1991. Previously, from on or about September 15,
15 1987 to October 1, 1991, SAUNDERS had a real estate salesperson license.

16 4.

17 Whenever reference is made in an allegation in this Accusation to an act or
18 omission of "Respondents," such allegation shall be deemed to mean that the officers, directors,
19 employees, agents, and real estate licensees employed by or associated with Respondents
20 committed such act or omission while engaged in the furtherance of the business or operations
21 of Respondents and while acting within the course and scope of their corporate authority and
22 employment, including, but not limited to, TPI and SAUNDERS.

23 5.

24 At all times mentioned, in Los Angeles County, TPI and SAUNDERS engaged
25 in the business of real estate brokers conducting licensed activities within the meaning of Code
26 section 10131(b). TPI and SAUNDERS engaged in operating a real property management
27

1 company by leasing, renting, and/or offering to rent places for rent, soliciting for prospective
2 tenants, and/or collecting rents from real property.

3
4 FIRST CAUSE OF ACCUSATION

5 (Trust Fund Audit)

6 7.

7 On or about August 30, 2016, the Bureau of Real Estate completed an audit
8 examination of the books and records of TPI to determine whether TPI handled and accounted
9 for trust funds and conducted its real estate activities in accordance with the Real Estate Law
10 and Regulations. The audit examination covered a period of time beginning on July 1, 2014
11 and ended on April 29, 2016. The audit examination revealed violations of the Code and the
12 Regulations set forth in the following paragraphs, and more fully discussed in Audit Report
13 LA150115 and the exhibits and work papers attached to said audit report.

14
15 Bank Accounts/Trust Accounts

16 8.

17 At all times mentioned, in connection with the activities described in Paragraph
18 6, above, TPI accepted or received funds including funds in trust ("trust funds") from or on
19 behalf of actual or prospective parties, such as owners of real property, involved in property
20 management services, and thereafter made deposits and/or disbursements of such funds. From
21 time to time herein mentioned, during the audit period, said trust funds were deposited and/or
22 maintained by TPI in the bank accounts as follows:

23 ///

24 ///

25 ///

26 ///

1 Chase Bank (closed on or about January 15, 2016)

2 *****8677

3 P.O. Box 659754

4 San Antonio, TX 78265-9754 (B/A #1)

5 Chase Bank

6 *****6037

7 P.O. Box 659754

8 San Antonio, TX 78265-9754 (B/A #2)

9 Chase Bank (closed on or about November 12, 2015)

10 *****6315

11 P.O. Box 659754

12 San Antonio, TX 78265-9754 (B/A #3)

13 Chase Bank

14 *****8372

15 P.O. Box 659754

16 San Antonio, TX 78265-9754 (B/A #4)

17 Chase Bank (closed on or about January 6, 2016)

18 *****7166

19 P.O. Box 659754

20 San Antonio, TX 78265-9754 (B/A #5)

21 Chase Bank (closed on or about April 13, 2016)

22 *****7950

23 P.O. Box 659754

24 San Antonio, TX 78265-9754 (B/A #6)

25 9.

26 In the course of activities described in Paragraphs 6 and 8, above, and during the
27 audit examination period in Paragraph 7, above, Respondents TPI and SAUNDERS acted in
violation of the Code and the Regulations as set forth below:

(a) Permitted, allowed, or caused unlicensed persons, Bessie Martir and
Jordan Ross, to engage in the business of or assume to act as a real estate broker or a real estate
salesperson (to wit: sign lease agreements on behalf of TPI) without first obtaining a real estate
license, in violation of Code sections 10130 and 10131.

1 (b)(1) Failed to designate B/A #1, B/A #2, B/A #3, B/A #4, B/A #5, and B/A
2 #6 as trust accounts in the name of TPI despite holding trust funds in each and every one of
3 those bank accounts, in violation of Code section 10145 and Regulations section 2832.

4 (b)(2) Failed to place trust funds into a trust fund account within three (3)
5 business days following the receipt of the funds, in violation of Code section 10145 and
6 Regulations section 2832. These violations include, but are not limited to, rent and deposits,
7 such as \$3,781.61 received on November 2, 2015 but deposited on November 10, 2015 into
8 B/A #2, \$3,681.61 received on September 20, 2014 but deposited on October 1, 2014 into B/A
9 #3, and \$4,470.61 received on February 27, 2015 but deposited on March 5, 2015 into B/A #5.

10 (c) Permitted Bessie Martir, an unlicensed and unbonded person, to make
11 withdrawals from B/A #1, B/A #2, B/A #3, B/A #4, B/A #5, and B/A #6, all of which contained
12 trust funds, in violation of Code section 10145 and Regulations section 2834.

13 (d) Used the fictitious names, "Touchstone Properties," "TPTenants.com,"
14 and "TouchstonePropertiesLA.com," to conduct licensed activities without holding a license
15 bearing such fictitious business names, in violation of Code section 10159.5 and Regulation
16 section 2731.

17 (e) Failed to disclose TPI's and/or SAUNDERS' real estate license number
18 on property management agreements and SAUNDERS' business card, in violation of Code
19 section 10140.6(b) and Regulations section 2773.

20 (f) Based on the above findings, SAUNDERS failed to adequately supervise
21 real estate activities conducted by TPI and its employees to secure full compliance with the
22 Real Estate Laws and Regulations, in violation of Code sections 10159.2 and 10177(h) and
23 Regulations section 2725.

24 10.

25 The conduct of Respondents TPI and SAUNDERS described in Paragraph 9,
26 above, violated the Code and the Regulations as set forth below:

13.

From in or about 2014 to 2016, the Property Owners demanded bank statements of accounts that hold their trust funds, but TPI and SAUNDERS refused to comply with their demands.

14.

From in or about 2014 to 2016, TPI and SAUNDERS did not address work order requests in a timely manner, which resulted in Code Enforcement Inquiries from the Los Angeles Housing and Community Investment Department ("LAHCD"). TPI and SAUNDERS failed to address these Code Enforcement Inquiries, so the Property Owners had to address them.

15.

From on or about October 15, 2015 to January 6, 2016, the Property Owners terminated their property management agreements for all of their properties. During this same time, the Property Owners and their new property management company made multiple demands to TPI and SAUNDERS to obtain tenant files, contracts, and ledgers for the Property Owners' properties. TPI and SAUNDERS refused to provide them. As a result, the Property Owners did not know pertinent information, such as their tenants' names and information, how much security deposit was paid for each unit, how much rent was being charged and collected for each unit, and whether there were any missed payments by tenants.

16.

On or about August 27, 2015, Juan M. and TPI through unlicensed person, Bessie Martir, entered into a lease agreement wherein Juan M. agreed to pay \$935 per month to rent 11440 Old River School Rd., #7, Downey, CA 90241 and \$10 per month for a parking space. However, TPI collected only \$925 on or about September 28, 2015 and October 1, 2015, and failed to collect the parking fee for October 2015, November 2015, and December 2015.

17.

On or about November 13, 2015, TPI and SAUNDERS marked and represented to the Property Owners that it paid the trash bill for the property at 7411 Arnett St., Downey, CA 90241 was paid. However, this bill was not paid as represented by TPI and SAUNDERS.

18.

Based on the foregoing, Respondents TPI and SAUNDERS violated Code sections 10130, 10140, 10176(a), 10176(i), 10177(d), and 10177(g).

COSTS

19.

Code section 10106 provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the bureau, 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 investigation and enforcement of the case.

///

///

///

///

///

///

///

///

///

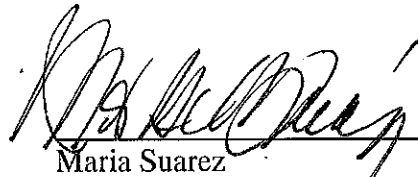
///

///

///

1 WHEREFORE, Complainant prays that a hearing be conducted on the
2 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
3 disciplinary action against all licenses and/or license rights under the Real Estate Law (Part 1 of
4 Division 4 of the California Business and Professions Code) of Respondents TOUCHSTONE
5 PROPERTIES, INC. and KEVIN BRENT SAUNDERS, individually and as designated officer
6 of Touchstone Properties, Inc. for the cost of investigation and enforcement as permitted by
7 law, and for such other and further relief as may be proper under applicable provisions of law.

8 Dated at Los Angeles, California: July 10th, 2017.

9
10 
11 Maria Suarez
12 Supervising Special Investigator
13
14
15
16
17
18
19
20
21
22
23
24

25 cc: Touchstone Properties, Inc.
26 Kevin Brent Saunders
27 Maria Suarez
Sacto.