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FILED

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BUREAU OF REAL ESTATE
By *[Signature]*

9 BUREAU OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * * * *

12 In the Matter of the Accusation of)	No.H-40763 LA
)	
13 HAMID SOROUDI;)	<u>ACCUSATION</u>
)	
14 CHARLES DUNN COMPANY INC;)	
)	
15 PATRICK JOSEPH CONN, designated officer)	
16 of Charles Dunn Company Inc; and)	
)	
17 DARRELL RENDEL LEVONIAN,)	
)	
18 Respondents.)	
)	

20
21 The Complainant, a Supervising Special Investigator of the State of California, for
22 cause of Accusation against Respondents HAMID SOROUDI, CHARLES DUNN COMPANY
23 INC, PATRICK JOSEPH CONN and DARRELL RENDEL LEVONIAN, is informed and
24 alleges as follows:
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26 CalBRE Accusation of Hamid Soroudi, et al.

1. 1.

2 The Complainant, Lupe Felix, a Supervising Special Investigator of the State of
3 California, makes this Accusation in her official capacity.

2.

4
5 All references to the "Code" are to the California Business and Professions Code
6 and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

7 LICENSE HISTORY

8 Respondent HAMID SOROUDI

3.

9
10 HAMID SOROUDI ("SOROUDI") is presently licensed and/or has license rights
11 under the Real Estate Law, Part 1 of Division 4 of the Code as a real estate salesperson ("RES"),
12 Bureau of Real Estate ("Bureau" or "BRE") license ID 00708618. SOROUDI was first licensed
13 as a RES on or about May 9, 1979. SOROUDI's BRE mailing address of record is: P.O. Box
14 2190, Beverly Hills, California 90213. SOROUDI is employed by real estate broker ("REB")
15 CHARLES DUNN COMPANY INC and worked out of one of its branch offices. SOROUDI's
16 RES license will expire on May 9, 2019.

17 Respondent CHARLES DUNN COMPANY INC

4.

18
19 CHARLES DUNN COMPANY INC ("CDC") is presently licensed and/or has
20 license rights under the Real Estate Law, Part 1 of Division 4 of the Code as a real estate
21 corporation ("REC"), BRE license ID 01201641. CDC was first licensed as a REC on or about
22 October 4, 1995. CDC's BRE mailing and main address of record are the same: 800 West 6th St.,
23 Suite 600, Los Angeles, California 90017. Christopher John Atkinson, (REB, BRE license ID
24 01067697) was CDC's designated officer ("D.O.") of record from January 20, 2011 through
25

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1 November 10, 2011. PATRICK JOSEPH CONN is currently CDC's D.O., until his officer
2 affiliation expiration date of October 3, 2019.

3 5.

4 According to the BRE's records, CDC has no current DBAs and four (4) branch
5 offices of record: 100 W. Broadway, Suite 519, Glendale, California 91210 ("Broadway
6 address"); 12925 Riverside Dr., Suite 201, Sherman Oaks, California 91423 ("Riverside
7 address"); 800 W. 6th Street, Suite 800, Los Angeles, California 90017 ("Suite 800 address");
8 and 1925 Century Park East, Suite 2350, Los Angeles, California 90067 ("CPE address").

9 DARRELL RENDEL LEVONIAN is the designated branch/division manager for all four (4) of
10 CDC's branch offices.¹ Also according to the BRE's records, CDC employs forty-five (45) RES.
11 CDC's REC license will expire on October 3, 2019.

12 Respondent PATRICK JOSEPH CONN

13 6.

14 PATRICK JOSEPH CONN ("CONN") is presently licensed and/or has license
15 rights under the Real Estate Law, Part 1 of Division 4 of the Code as a REB, BRE license ID
16 01403086. CONN was first licensed as a REB on or about February 27, 2006. Prior to CONN's
17 licensure by the BRE as a REB, CONN was licensed as a RES on or about December 8, 2003.
18 CONN's BRE mailing and main address of record are the same: 800 West 6th St., 6th Floor, Los
19 Angeles, California 90017. CONN is the current D.O. of CDC until his officer affiliation
20 expiration date of October 3, 2019. According to the BRE's records, CONN is also the D.O. for
21 CDC Management Inc. (REC, BRE license ID 01197484) and Charles Dunn Real Estate Services
22 Inc (REC, BRE license ID 01201667). CONN's REB license will expire on February 26, 2018.

23
24 ¹ At CDC's branch office located at 800 W. 6th St., Suite 800, Los Angeles, California 90017, there are two
25 branch/division managers, LEVONIAN and Christian L. Runyen (RES, BRE license ID 01208531).

1 Respondent SOROUDI acted as a RES who, for compensation or in expectation of a
2 compensation, is employed by CDC to do one or more of the acts set forth in Code Sections
3 10131 and 10131.3.

4 FACTS DISCOVERED BY THE BUREAU

5 9.

6 Christine Ireland, a.k.a. Christine Petrikas (“Christine I.”)⁴ is, and at all relevant
7 times was, a homemaker, mother, and the wife of Julius P. According to Christine I., prior to the
8 filing (filed July 13, 2015) of Los Angeles Superior Court Case Number BC588007 (*Christine*
9 *Petrikas Ireland, et al. v. Charles Dunn Company, Inc., et al.*) (“LASC BC588007”), her only
10 experience, skill, knowledge and/or training in real estate transactions arose out of transactions
11 subsequent to her husband’s death.

12 10.

13 On or about December 20, 2010, Christine I.’s then-husband, Julius Petrikas a.k.a.
14 J. Christopher Petrikas (“Julius P.”), passed away. Prior to Julius P.’s death, on or about
15 November 2, 2010, he signed, on behalf of the Petrikas Family Limited Partnership, an
16 “Exclusive Authorization and Right to Sell (Multi-Residential)” agreement with CDC to list real
17 property located at 123 California Avenue, Santa Monica, California (“123 California property”)
18 for the sale price of fourteen million two hundred fifty thousand dollars (\$14,250,000) for a
19 period of one hundred and eighty (180) days.

20 ///

21
22 ⁴ Christine Ireland a.k.a. Christine Petrikas is also a trustee for the Petrikas Family Bypass Trust; the Family Trust
23 Under the Christopher and Christine Petrikas Living Trust Dated August 25, 2005; the Petrikas Family Survivor
24 Trust and the Marital Trust Under the Christopher and Christine Petrikas Living Trust Dated August 25, 2005, the
25 Christine Petrikas Ireland Trust Dated June 2, 2015. Additionally, Christine I. is a general partner of the Petrikas
26 Family Limited Partnership. Family and 14426 Palmdale Road, LLC. For purposes of this Accusation, references to
27 “Christine I.” shall include Christine I. individually and as trustee and/or partner of these trusts and/or partnerships.

11.

Prior to Julius P.'s death, Respondents SOROUDI and CDC (and CDC's Kimberly Roberts Stepp) communicated exclusively with Julius P. regarding the sale of the 123 property; Christine I. did not interact with SOROUDI and CDC regarding business decisions or financial matters relating to the 123 California property. Subsequent to Julius P.'s death, SOROUDI and CDC commenced interactions and continued to interact with Christine I. as her principal representative in connection with business decisions and financial matters relating to the 123 California property.

12.

Shortly after Julius P.'s death, SOROUDI telephoned Christine I. regarding "entering a 1031 exchange transaction" and indicated that he was well versed in such transactions. SOROUDI explained to Christine I. that a "1031 exchange" was an exchange of properties of similar nature and value that would result in significant income tax savings, and that he would identify suitable properties for such "exchange." Prior to SOROUDI's phone call, Christine I. had never heard of a "1031 exchange," and from SOROUDI's call, understood that SOROUDI was familiar with "1031 exchange transactions" and possessed knowledge of the applicable rules and requirements. In the same conversation, SOROUDI informed Christine I. that if she did not engage in a "1031 exchange" in connection with the 123 California property, that she would have to pay substantial income taxes, and Christine I. understood from SOROUDI that a "1031 exchange" would save a lot of money.

13.

Between 2010 and 2016, Respondents SOROUDI and CDC represented Christine I. in seven (7) transactions that required a real estate license, and Christine I. relied on the advice, guidance, and direction of SOROUDI and CDC in these transactions. In each of the transactions

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1 between 2010 and 2016, SOROUDI acted as the real estate agent/salesperson for both Christine
2 I. and the other party, and CDC acted as the dual REB.

3 Sale of the 123 California Property

4 14.

5 On or about November 22, 2010, the 123 California property was sold to
6 Rohit M.⁵ Two and a half months subsequent to Julius P.'s death, escrow on the sale of the 123
7 property closed on or about March 4, 2011, with a sale price of thirteen and a half million dollars
8 (\$13,500,000). CDC was both the Listing Firm/Agent and the Selling Firm/Agent, and collected
9 commissions in the amount of five hundred and forty thousand dollars (\$540,000), of which
10 SOROUDI (SOROUDI Enterprises, Inc.), as selling agent at CDC's CPE address, collected two
11 hundred and two thousand five hundred dollars (\$202,500) in commissions. Under the advice,
12 guidance, and direction of SOROUDI, the net sale proceeds were deposited with Metro
13 Exchange ("Metro"), a qualified intermediary exchange accommodator that provides services in
14 connection with like-kind exchanges under Internal Revenue Code ("IRC") Section 1031 ("1031
15 exchange"). Under the advice, guidance, and direction of SOROUDI, Christine I. commenced
16 the process of purchasing another property/properties ("replacement properties") in order to
17 engage in a 1031 exchange in connection with the sale of the 123 property.

18 ///

19 ///

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22 ///

23 _____
24 ⁵ Rohit M. (a.k.a. Richard M. or Ron M.) is an owner and principal of the entities: Xenon Investment Corp.,
25 Hollywood Carlton Properties, LLC, Loren Properties and/or VTM Apartments, LLC. For purposes of this
26 Accusation, Rohit M. and/or these entities shall be referred to collectively as "Rohit M."

1 Purchase of Rohit M.'s Properties at 24857 Walnut Avenue and 24862 Walnut Avenue, Santa
2 Clarita, California ("Walnut Properties")

3 15.

4 On or about April 15, 2011 (forty-two (42) days after the close of escrow for the
5 123 California property), Christine I. identified potential replacement properties for purposes of
6 the 1031 exchange, which at that time, were within the required forty-five (45)-day identification
7 period of IRC 1031(a)(3)(A).⁶ Christine I. had executed purchase agreements for two properties:
8 14426 Palmdale, Victorville, California with CVS as the tenant ("14226 Palmdale property") and
9 2525 W. Florida Avenue, Hemet, California with Smart & Final as the tenant ("Smart & Final
10 property"), and instructed Metro to transfer the funds for purchase of these properties.

11 16.

12 Despite Christine I.'s timely identification of potential replacement parties, on or
13 about June 15, 2011, SOROUDI and CDC prepared a letter of intent ("LOI") on behalf of
14 Christine I. to Rohit M. (Seller) regarding Christine I.'s purchase of Rohit M.'s Walnut
15 properties for an aggregate purchase price of five million dollars (\$5,000,000) with a master
16 leaseback agreement ("Master Lease") to the Seller. By this time, one hundred and three (103)
17 days had elapsed from the March 4, 2011 close of escrow date on the 123 property, and it was the
18 fifty-eighth (58) day outside of the 45-day period required by IRC 1031, thus removing the
19 purchase from 1031 exchange qualification.

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21 _____
22 ⁶ Pursuant to IRC 1031(a)(3)(A), in an exchange of property held for productive use or investment, there is a
23 nonrecognition of gain or loss from exchanges solely in kind, subject to the "(3) REQUIREMENT THAT PROPERTY BE
24 IDENTIFIED AND THAT EXCHANGE BE COMPLETED NOT MORE THAN 180 DAYS AFTER TRANSFER OF EXCHANGED
25 PROPERTY... For purposes of this subsection, any property received by the taxpayer shall be treated as property
26 which is not like-kind property if—(A) such property is not identified as property to be received in the exchange on
27 or before the day which is 45 days after the date on which the taxpayer transfers the property relinquished in the
exchange..."

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17.

On or about June 28, 2011, under the advice, guidance and direction of SOROUDI and CDC, Christine I. purchased from Rohit M. the Walnut properties, which she understood to be 1031 exchange replacement properties in connection with the 123 California property sale. Despite the LOI's stated aggregate purchase price of \$5 million, Christine I., under the advice, guidance and direction of SOROUDI, paid an aggregate purchase price of five million one hundred thousand dollars (\$5,100,000⁷) for the Walnut properties, and agreed to the condition that each of the Walnut properties would be master leased back to the seller (Rohit M.).

18.

Escrow on the sale of the Walnut properties closed on or about July 11, 2011. At the conclusion of the Walnut properties transaction: (1) CDC collected commissions in the amount of approximately three hundred thousand dollars (\$300,000) (comprised of commissions in the amounts of \$249,810 for 24857 Walnut and \$50,000 for 24862 Walnut), of which SOROUDI (SOROUDI Enterprises, Inc.) collected one hundred and forty four thousand nine hundred fifty six dollars (\$144,956.90) in commissions, and (2) pursuant to the Master Lease agreements dated June 28, 2011, prepared by SOROUDI, the properties were leased back to Seller Rohit M. for a period of seven (7) years for \$13,110 per month for 24857 Walnut Avenue and \$10,300 per month for 24862 Walnut Avenue. The Master Lease agreements required Seller Rohit M. (as Lessee) to maintain the premises, both physically (renovations and capital improvements) and with respect to taxes and insurance payments, and precluded the Buyer (Lessor/Christine I.) from occupying or utilizing the properties during the seven-year lease

⁷ According to the Residential Income Property Purchase Agreement ("RIPPA") for 24862 Walnut Street, Christine I.'s purchase price was \$2,250,000. According to the RIPPA for 24857 Walnut Street, Christine I.'s purchase price was \$2,850,000.

1 period; neither was Christine I. entitled to receive any compensation from any of Rohit M.'s
2 subtenants.

3 19.

4 According to the "Maintenance; Repairs, Utility Installations; Trade Fixtures and
5 Alterations" Section of the Master Lease (wherein Christine I. is the Lessor and Rohit M. is the
6 Lessee), printed on Form STN-10-6/07E by "Air Commercial Real Estate Association⁸" executed
7 by both Christine I. and Rohit M. on or about June 28, 2011:

8 "7.1 Lessee's Obligations. (a) In General. "Subject to the provisions of Paragraph
9 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable
10 Requirements, 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14
11 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility
12 Installations (intended for Lessee's exclusive use, no matter where located), and
13 Alterations in good order, condition and repair (whether or not the portion of the
14 Premises requiring repairs, or the means of repairing the same, are reasonably or
15 readily accessible to Lessee, and whether or not the need for such repairs occurs as
16 a result of Lessee's use, any prior use, the elements or the age of such portion of
17 the Premises), including but not limited to, all equipment or facilities, such as
18 plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure
19 vessels, fire protection system, fixtures, walls (interior and exterior), foundations,
20 ceilings, roofs, roof drainage systems, floors, window, doors, plate glass,
21 skylights, landscaping, driveways, parking lots, fences, retaining walls, signs,

22
23 ⁸ According to the Notice on page 17 of the 18-page Master Lease -- "These forms are often modified to meet
24 changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most
25 current form: AIR Commercial Real Estate Association, 800 W. 6th Street, Suite 800, Los Angeles, CA 90017." The
26 listed address for AIR Commercial Real Estate Association is the same as CDC's Suite 800 address.

1 sidewalks and parkways located in, on, or adjacent to the Premises. Lessee, in
2 keeping the Premises in good order, condition and repair, shall exercise and
3 perform good maintenance practices, specifically including the procurement and
4 maintenance of the service contracts required by Paragraph 7.1(b) below.
5 Lessee's obligations shall include restorations, replacements or renewals when
6 necessary to keep the Premises and all improvements thereon or a part thereof in
7 good order, condition and state of repair. Lessee shall, during the term of this
8 Lease, keep the exterior appearance of the Building in a first-class condition
9 (including, e.g. graffiti removal) consistent with the exterior appearance of other
10 similar facilities of comparable age and size in the vicinity, including, when
11 necessary, the exterior repainting of the Building.

12 (b). Service Contracts. Lessee shall, at Lessee's sole expense, procure and
13 maintain contracts, with copies to Lessor, in customary form and substance for,
14 and with contractors specializing and experienced in the maintenance of the
15 following equipment and improvements, if any, if and when installed on the
16 Premises: (i) HVAC equipment, ... (v) roof covering and drains...

17 ...

18 (d) Replacement. Subject to Lessee's indemnification of Lessor as set forth in
19 Paragraph 8.7 below, and without relieving Lessee of liability resulting from
20 Lessee's failure to exercise and perform good maintenance practices, if an item
21 described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in
22 excess of 50% of the cost of replacing such item, then such item shall be replaced
23 by Lessee.

1 improvements is approx. \$300,000. Under the master lease I am only obligated to
2 maintain the properties, not to improve them. Please ask Mrs. Petrikas if she
3 would want to spend the money to bring the properties to habitable status [sic]
4 which is required under the law, otherwise I would want to terminate the master
5 lease.”

6 22.

7 On or about August 26, 2014, at 12:35PM, xiccompany@gmail.com (Xenon
8 Investment Corp/Rohit M.) sent an e-mail to SOROUDI only regarding maintenance and the cost
9 of capital improvements on the Walnut properties, and approximated the cost of improvements to
10 be \$300,000:

11 “The Santa Clarita properties that belong to Christine Petrikas have a lot of
12 deferred improvements/maintenance. Both need new roofs, plumbing should be
13 replaced and both need to be tented for termite. [sic] ...The cost to complete all
14 capital improvements is approximately \$300,000. Under the master lease I am
15 only obligated to maintain the properties, not to improve them. Please ask Mrs.
16 Petrikas if she would want to spend the money to bring the properties to a
17 habitable status which is required under the law, otherwise I would want to
18 terminate the master lease.”

19 23.

20 Prior to August 26, 2014, Christine I. had not received any direct communications
21 from Rohit M. regarding any deferred maintenance on the Walnut properties. On the same day,
22 August 26, 2014, at 12:35PM, SOROUDI forwarded Rohit M.’s e-mail of 12:35PM to Christine
23 I. with the comment that it was “Very important,” and asked her to call him.

24 ///

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1 24.

2 Rohit M.'s 12:35PM e-mail (as received not directly from Rohit M., but by way of
3 a forward from SOROUDI), was the first time that Christine I. learned about: deferred
4 maintenance on the Walnut properties, Rohit M.'s expectation that she would pay for such
5 maintenance, and Rohit M.'s threat to terminate the Master Lease if the \$300,000 improvement
6 costs were not paid.

7 25.

8 When Christine I. spoke with SOROUDI on the telephone on August 26, 2014,
9 SOROUDI informed Christine I. that the \$300,000 of capital improvements and maintenance
10 were her obligation and that if she did not pay \$300,000 to Rohit M., that Rohit M. would
11 terminate the master leases. SOROUDI did not provide an explanation to Christine I. regarding
12 how the \$300,000 amount was calculated, nor did he explain to Christine I. why the payment was
13 her responsibility, merely stating that the amount was her obligation. Also within this same
14 telephone conversation, SOROUDI encouraged Christine I. that it would be best for her to "get
15 rid" of the Walnut properties by selling them back to Rohit M., rather than to pay \$300,000 to
16 Rohit M. or have Rohit M. terminate the master leases.

17 26.

18 According to Rohit M.'s Supplemental Response to Claimant's [Christine I.]
19 Special Interrogatories (Set One) in LASC BC588007, signed and dated under penalty of perjury
20 on March 21, 2017 ("March 21, 2017 Supplemental Response"), Response to Special
21 Interrogatory No. 212, Rohit M.'s statement in his August 26, 2014 e-mail to SOROUDI
22 regarding the deferred capital improvements/improvements of Christine I.'s Walnut properties
23 was made under his belief that the cost to complete all capital improvements at the Walnut
24 properties was approximately \$300,000. As stated in his March 21, 2017 Supplemental

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1 Response, "The aforementioned statement was based on an estimate/assessment...in consultation
2 with HAMID SOROUDI; no other "professionals" gave an opinion on this issue...did not break
3 down the cost of each capital improvement specifically..."

4 Resale of Walnut Properties back to Rohit M.

5 27.

6 One day after Rohit M.'s demand e-mail and SOROUDI's telephone call, on or
7 about August 27, 2014, Christine I. agreed to resell the Walnut properties to Rohit M. for a
8 combined sales price of five million five hundred thousand dollars (\$5,500,000), with CDC as
9 both the listing and selling REB and SOROUDI representing Christine I. as the seller and Rohit
10 M. as the buyer.

11 28.

12 On or about August 27, 2014, Christine I. signed documentation relating to the
13 resale of the Walnut properties, including the RIPPA, and the re-sale of the Walnut properties
14 closed on or about August 29, 2014 at a sale price of five million five hundred thousand dollars
15 (\$5,500,000). At the conclusion of the Walnut properties re-sale transaction, CDC collected
16 commissions in the amount of approximately three hundred thirty thousand dollars \$330,000
17 (comprised of commissions in the amounts of \$184,200 for 24857 Walnut and \$145,800 for
18 24862 Walnut), of which SOROUDI (SOROUDI Enterprises, Inc.) collected one hundred and
19 ninety two thousand six hundred seventy one dollars (\$192,671.60) in commissions.

20 29.

21 According to Rohit M.'s March 21, 2017 Supplemental Response in LASC
22 BC588007, Response to Special Interrogatory No. 272, SOROUDI informed Rohit M. that
23 Christine I. would sell the Walnut properties for the amount stated in the purchase agreement,
24 and asked Rohit M. to sign the transaction documents prior to August 26, 2014. According to
25

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1 Rohit M.'s Response to Special Interrogatory No. 272, he signed the documents on or about
2 August 19, 2014. Also according to Rohit M.'s Response to Special Interrogatory No. 272, that
3 SOROUDI informed Rohit M. that Christine I. did not have a computer and preferred for
4 SOROUDI to travel to her to collect signatures on purchase and sale documents.

5 30.

6 The net sales proceeds from the Walnut properties resale were deposited with
7 Metro for what CDC and SOROUDI represented to Christine I. as another 1031 exchange.

8 Purchase of Rohit M.'s Property at 5307-5315 Colodny Drive ("Colodny Property")

9 31.

10 On or about February 19, 2015 (one hundred and seventy four (174) days after the
11 August 29, 2014 close of escrow date on the resale of the Walnut properties), SOROUDI
12 submitted a letter to Christine I. which "summarizes my activities regarding finding suitable
13 replacement properties to satisfy your 1031 exchange as well as your cash flow requirements..."
14 and identified as a 1031 exchange replacement property a property owned by Rohit M. located at
15 5307-5315 Colodny Drive, Agoura Hills, California. In his letter, SOROUDI represented to
16 Christine I. that "after much negotiation, he [Rohit M.] did agree to accommodate you," and
17 indicated that Rohit M. (Seller) agreed to sell the Colodny property to Christine I. conditioned
18 upon a master lease of the Colodny property back to him to allow him to continue to manage the
19 property, at a rent amount of \$11,525 per month for up to three (3) years. Additionally, Rohit M.
20 demanded the option to purchase the Colodny property back in one to three years for the same
21 purchase price, without payment of closing costs or escrows. SOROUDI also represented to
22 Christine I. that, "The "sale, lease back agreements" regarding the Property offers you the cash
23 flow that you want (part of the cash flow reduces your equity and you will receive less cash at the
24
25
26

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1 end relative to the cash you put in at the start), you own the real estate which satisfies your 1031
2 exchange and will have no management involvement.”

3 32.

4 On the same day as SOROUDI's correspondence to Christine I. regarding the
5 Colodny property, and under the advice, guidance and direction of SOROUDI, Christine I. agreed
6 to purchase as a replacement property for 1031 exchange purposes (in connection with the sale of
7 the Walnut properties) the Colodny property from Rohit M. According to the RIPPA, Christine
8 I. purchased the Colodny property for a sale price of five million two hundred thousand dollars
9 (\$5,200,000), and agreed to the condition that the Colodny property would be master leased back
10 to the seller (Rohit M.).

11 33.

12 Escrow on the sale of the Colodny property closed on or about February 23, 2015.
13 At the conclusion of the Colodny property transaction: (1) CDC collected commissions in the
14 amount of approximately three hundred and twelve thousand dollars (\$312,000), of which
15 SOROUDI (SOROUDI Enterprises, Inc.) collected one hundred seventy five thousand five
16 hundred dollars (\$175,500) in commissions, and (2) pursuant to the Master Lease agreement
17 dated February 19, 2015, prepared by SOROUDI, the property was leased back to Rohit M. for a
18 period of three (3) years for \$18,962⁹ per month. The Master Lease agreements required Seller
19 Rohit M. to maintain the premises, both physically (renovations and capital improvements) and
20 with respect to taxes and insurance payments, and precluded the Buyer (Christine I.) from
21 occupying or utilizing the properties during the seven-year lease period; neither was Christine I.
22 entitled to receive any compensation from any of Rohit M.'s subtenants.

23
24 ⁹ According to the February 19, 2015 Master Lease for the Colodny property, the base rent is \$18,962.50 per month;
25 however, according to Christine I., the base rent for the Colodny property is \$11,525 per month.

1 34.

2 According to a letter dated August 11, 2017 from Certified Public Accountant
3 Alin Wall ("CPA Wall"), a Partner of Armanino LLP, the final date for identification of a
4 replacement property in a 1031 exchange in connection with Christine I.'s Walnut property
5 would have been October 13, 2014, which is the forty-fifth (45th) day after the close of escrow
6 for the Walnut property (August 29, 2014). Also according to CPA Wall, given that the Colodny
7 property was not identified until SOROUDI's February 19, 2015 letter to Christine I., the 1031
8 exchange fails, as the deadline was missed for identifying the replacement property, and the gain
9 must be recognized at the time of the sale.

10 Appointment of LEVONIAN as Branch Manager of CDC's CPE Branch Office

11 35.

12 On or about November 12, 2014, CONN on behalf of CDC, submitted a Branch
13 or Division Manager Appointment application (Form RE 242 (Rev. 9/14) to the BRE to add
14 LEVONIAN as a Division Manager of CDC's CPE branch office, effective November 4, 2014.
15 According to the transaction documents relating to Christine I.'s 123 California, Walnut, and
16 Colodny properties, SOROUDI worked out of CDC's CPE branch office, under the supervision
17 of LEVONIAN beginning on or about November 4, 2014.

18 36.

19 According to a CDC letter dated June 21, 2017 from Brittney McCarthy, Director
20 of Administration/Compliance in response to a June 8, 2017 letter from SI Pak:

- 21 a. "2. With respect to Mr. SOROUDI's knowledge as it pertains to 1031
22 exchanges...the Company has engaged various experts to review with the
23 agents 1031 exchanges and other specialty areas, so they have an
24 understanding of issues that come up during a transaction and so the agents
25

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1 have an expert point of contact if needed. In fact, on May 5, 2015 the
2 Company arranged for a presentation from a Wells Fargo 1031 exchange
3 advisors on exchange basics..."

4 b. "3. The Company has policies and procedures in place to oversee the activities
5 of our agents...In this case, the files were reviewed by DARRELL
6 LEVONIAN, Mr. SOROUDI's direct supervisor. Pursuant to Company
7 policy, Mr. LEVONIAN reviewed the files, as they were turned in by Mr.
8 SOROUDI..."

9 Monetary Damages Suffered by Christine I.

10 37.

11 To date, Christine I. has suffered monetary damages in excess of three and one
12 half million dollars (\$3,500,000), comprised of losses, including but not limited to: commissions
13 paid to CDC and SOROUDI on sales and purchases induced under the advice, guidance and
14 direction of SOROUDI; the inflated sale price in connection with the 2011 Walnut properties
15 purchase; and lost profits in connection with the 2014 Walnut properties sale.

16 APPLICABLE SECTIONS OF THE REAL ESTATE LAW

17 Responsibility of Corporate Officer in Charge – Code Section 10159.2 and Section 2725 of Title
18 10, Chapter 6, California Code of Regulations ("Regulations")

19 38.

20 Pursuant to Code Section 10159.2(a), "The officer designed by a corporate broker
21 license pursuant to Section 10211 shall be responsible for the supervision and control of the
22 activities conducted on behalf of the corporation by its officers and employees as necessary to
23 secure full compliance with the provisions of this division, including supervision of salespersons
24 licensed to the corporation in the performance of acts for which a real estate license is required."

25
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Pursuant to Regulation 2725, "A broker shall exercise reasonable supervision over the activities of his or her salespersons. Reasonable supervision includes, as appropriate, the establishment of policies, rules, procedures and systems to review, oversee, inspect and manage:

- a) Transactions requiring a real estate license.
- b) Documents which may have a material effect upon the rights or obligations of a party to the transaction.
- c) Filing, storage and maintenance of such documents.
- d) The handling of trust funds.
- e) Advertising of any service for which a license is required.
- f) Familiarizing salespersons with the requirements of federal and state laws relating to the prohibition of discrimination.
- g) Regular and consistent reports of licensed activities of salespersons.

The form and extent of such policies, rules, procedures and systems shall take into consideration the number of salespersons employed and the number and location of branch offices.

A broker shall establish a system for monitoring compliance with such policies, rules, procedures and systems. A broker may use the services of brokers and salespersons to assist in administering the provisions of this section so long as the broker does not relinquish overall responsibility for supervision of the acts of salespersons licensed to the broker."

Branch Offices & Branch Managers – Code Sections 10163 and 10164

Pursuant to Code Section 10163, "If the applicant for a real estate broker's license maintains more than one place of business within the State he shall apply for and procure an

1 additional license for each branch office so maintained by him. Every such application shall state
2 the name of the person and the location of the place or places of business for which such license
3 is desired. The commissioner may determine whether or not a real estate broker is doing a real
4 estate brokerage business at or from any particular location which requires him to have a branch
5 office license.”

6 41.

7 Pursuant to Code Section 10164, “(a) An employing broker or corporate
8 designated broker officer may appoint a licensee as a manager of a branch office or division of
9 the employing broker s or employing corporate designated broker officer s real estate business
10 and delegate to the appointed manager the responsibility to oversee day-to-day operations,
11 supervise the licensed activities of licensees, and supervise clerical staff employed in the branch
12 office or division. (b) Notwithstanding subdivision (a), nothing in this section shall be construed
13 to limit the responsibilities of an employing broker or a corporate designated broker officer
14 pursuant to subdivision (h) of Section 10177. A licensee accepting appointment as a manager
15 shall be subject to disciplinary action pursuant to Section 10165 for failure to properly supervise
16 licensed activity pursuant to subdivision (a).”

17 Grounds for Revocation or Suspension – Code Section 10176

18 42.

19 Pursuant to Code Section 10176, “The commissioner may, upon his or her own
20 motion, and shall, upon the verified complaint in writing of any person, investigate the actions of
21 any person engaged in the business or acting in the capacity of a real estate licensee within this
22 state, and he or she may temporarily suspend or permanently revoke a real estate license at any
23 time where the licensee, while a real estate licensee, in performing or attempting to perform any
24 of the acts within the scope of this chapter has been guilty of any of the following:
25

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1 (a) Making any substantial misrepresentation.

2 (b) Making any false promises of a character likely to influence, persuade, or
3 induce.

4 (c) A continued and flagrant course of misrepresentation or making of false
5 promises through real estate agents or salespersons.

6 ...

7 (i) Any other conduct, whether of the same or a different character than specified
8 in this section, which constitutes fraud or dishonest dealing..."

9 Further Grounds for Disciplinary Action – Code Section 10177

10 43.

11 Pursuant to Code Section 10177, "The commissioner may suspend or revoke the
12 license of a real estate licensee, delay the renewal of a license of a real estate licensee, or deny the
13 issuance of a license to an applicant, who has done any of the following:

14 ...

15 (d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing
16 with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and
17 regulations of the commissioner for the administration and enforcement of the Real Estate Law
18 and Chapter 1 (commencing with Section 11000) of Part 2."

19 ...

20 (g) Demonstrated negligence or incompetence in performing an act for which he
21 or she is required to hold a license.

22 (h) As a broker licensee, failed to exercise reasonable supervision over the
23 activities of his or her salespersons, or, as the officer designated by a corporate broker licensee,
24

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1 failed to exercise reasonable supervision and control of the activities of the corporation for which
2 a real estate license is required...

3 (j) Engaged in any other conduct, whether of the same or a different character than
4 specified in this section, that constitutes fraud or dishonest dealing..."

5 VIOLATIONS OF THE REAL ESTATE LAW – CAUSES FOR DISCIPLINE

6 44.

7 In the course of the activities described above in Paragraph 8, and based on the
8 facts discovered by the Bureau in Paragraphs 9 through 37, above, Respondent HAMID
9 SOROUDI acted in violation of the Code and Regulations, as described below.

10 45.

11 On or about August 27, 2014, Christine I. signed transaction documents agreeing
12 to the re-sale of her Walnut properties back to the owner from which she originally purchased the
13 properties in 2011, Rohit M. Relying on the advice, guidance and direction of SOROUDI and
14 CDC, escrow on the Walnut properties re-sale closed on August 29, 2014. This re-sale would
15 not have happened but for the acts and/or omissions of SOROUDI and CDC. On or about
16 February 23, 2015, under the advice, guidance and direction of SOROUDI, Christine I. purchased
17 the Colodny property, which she believed was a replacement property that would qualify as a
18 1031 exchange in connection with the sale of her Walnut properties.

19 a. Respondent **SOROUDI** has, while engaging in the business of or acting in the
20 capacity of a real estate salesperson, willfully disregarded the Real Estate Law by making
21 substantial misrepresentations and false promises to induce, by acting negligently, and by
22

1 engaging in fraudulent or dishonest dealing. On or about February 19, 2011, SOROUDI drafted
2 the Master Lease that was used for Christine I. to lease back the Walnut properties to Rohit M.;
3 under the advice, guidance and direction of SOROUDI, Christine I. agreed to the Master Lease
4 and its terms as a condition of her purchase of the Walnut properties. On or about August 25,
5 2014 and August 26, 2014, SOROUDI represented to Christine I. that she (Lessor) was obligated
6 to pay \$300,000 for improvements and maintenance relating to her Walnut properties, knowing
7 that, pursuant to the Master Lease, that the Lessor had no obligation to repair or maintain the
8 properties, and that the obligation for maintenance and repairs were that of the Lessee (Rohit M.),
9 in violation of **Code Sections 10176 (a), (b), (c), (i) and Code Sections 10177(d) and (j)**. the
10 amount had not been researched and that the amount was an amount that Christine I. was not
11 prepared to pay, in order to induce Christine I. to sell said properties, in violation of **Code**
12 **Sections 10176 (a), (b), (i) and Code Sections 10177(d) and (j)**.
13
14

15 b. Respondent SOROUDI has, while engaging in the business of or acting in the
16 capacity of a real estate salesperson, willfully disregarded the Real Estate Law by making
17 substantial misrepresentations and false promises to induce, by acting negligently, and by
18 engaging in fraudulent or dishonest dealing. On or about August 25, 2014 and August 26, 2014,
19 SOROUDI represented to Christine I. that she (Lessor) was obligated to pay \$300,000 for
20 improvements and maintenance relating to her Walnut properties. Under the advice, guidance
21 and direction of SOROUDI, Christine I. agreed to sell the Walnut properties. SOROUDI made
22 such representations to Christine I. about the \$300,000 obligation knowing not only that she as
23 the Lessor was not obligated to pay by the terms of the Master Lease he himself drafted, but that
24
25

1 the amount was amount that he knew Christine I. was not prepared to pay, in order to induce
2 Christine I. to sell said properties, in violation of **Code Sections 10176 (a), (b), (i) and Code**
3 **Sections 10177(d) and (j).**

4 c. Respondent **SOROUDI** has, while engaging in the business of or acting in the
5 capacity of a real estate salesperson, willfully disregarded the Real Estate Law by making
6 substantial misrepresentations and false promises to induce, by acting negligently, and by
7 engaging in fraudulent or dishonest dealing. Subsequent to the sale of Christine I.'s Walnut
8 properties, on or about February 19, 2015, SOROUDI submitted a letter to Christine I. and
9 identified as a 1031 exchange replacement property the Colodny property, which he represented
10 as having negotiated with the then-owner to sell to Christine I. and as a replacement property "to
11 satisfy your 1031 exchange." Under the advice, guidance and direction of SOROUDI, Christine
12 I. agreed to purchase the Colodny property, which SOROUDI represented to her as a replacement
13 property in connection with a 1031 exchange connected to the sale of her Walnut properties.
14 This was not SOROUDI's first 1031 exchange. SOROUDI knew or should have known the
15 February 19, 2015 identification of the Colodny property occurred well over the required forty-
16 five (45) day identification period required by IRC 1031. Although SOROUDI knew or should
17 have known that the timing of Christine I.'s purchase of the Colodny property disqualified the
18 transaction from IRC 1031 treatment, SOROUDI induced Christine I. to purchase the Colodny
19 property under the guise of a 1031 exchange anyway, in violation of **Code Sections 10176 (a),**
20 **(b), (i), and Code Sections 10177(d)(g), and (j).**

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1 d. Respondent **SOROUDI** has, while engaging in the business of or acting in the
2 capacity of a real estate salesperson, willfully disregarded the Real Estate Law by engaging in a
3 continued and flagrant course of making substantial misrepresentations and false promises to
4 induce, by acting negligently, and by engaging in fraudulent or dishonest dealing throughout the
5 course of his representation of Christine I. in the Walnut properties purchase and sale, in the
6 Colodny purchase, and the 1031 exchanges in which he purported to assist Christine I., in
7 violation of **Code Sections 10176 (a), (b), (c), (i), and Code Sections 10177(d)(g), and (j).**

9 46.

10 The acts and/or omissions of Respondents **CONN** and **LEVONIAN** demonstrate
11 a failure to adequately supervise the real estate activities of **CDC** and their respective salesperson
12 **SOROUDI**, and are indicative of **CDC**'s failure to establish policies, rules, procedures and
13 systems to review, oversee, inspect and manage transactions requiring a real estate license and
14 real estate activities conducted under its **BRE** license, a violation of **Code Sections 10159.2(a)**
15 **and 10177(h) and Regulation 2725** as to **CONN**, and **Code Section 10164** as to **LEVONIAN**.

17 47.

18
19 The acts and/or omissions of Respondent **SOROUDI**, **CONN**, and **LEVONIAN**
20 are demonstrative of **CDC**'s negligence or incompetence in performing acts for which it is
21 required to hold a real estate license, a violation of **Code Section 10177(g).**

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1 COSTS


2 48.

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

7 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
8 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
9 action against all the licenses and license rights of Respondents **HAMID SOROUDI,**
10 **CHARLES DUNN COMPANY INC, PATRICK JOSEPH CONN, and DARRELL**
11 **RENDEL LEVONIAN** under the Real Estate Law (Part 1 of Division 4 of the Business and
12 Professions Code), and for such other and further relief as may be proper under other applicable
13 provisions of law.

14 Dated at Los Angeles, California

15 this 24 day of August 2017.

16
17
18 
19 Lupe Felix
Supervising Special Investigator

20
21 cc: HAMID SOROUDI
22 CHARLES DUNN COMPANY INC
23 PATRICK JOSEPH CONN
24 DARRELL RENDEL LEVONIAN
L. Felix/M. Suarez
25 Sacto.

26 CalBRE Accusation of Hamid Soroudi, et al.