

FILED

SEP 29 2017

BUREAU OF REAL ESTATE

By *at Delois*

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8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	No. H-40804 LA
12)	
13	SC REAL ESTATE SERVICES, INC.;)	
14	ROBERT MATILLA, individually and as)	
15	former designated officer of SC Real Estate)	<u>ACCUSATION</u>
16	Services, Inc.; and STEVE J. BRODERICK,)	
)	
	Respondents.)	

17 The Complainant, Maria Suarez, a Supervising Special Investigator of the State
18 of California, acting in her official capacity, for cause of Accusation against SC REAL
19 ESTATE SERVICES, INC. aka PMI Beachside ("SRESI"), ROBERT MATILLA
20 ("MATILLA"), individually and as former designated officer of SC Real Estate Services, Inc.,
21 and STEVE J. BRODERICK ("BRODERICK"), is informed and alleges as follows:

22 1.

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

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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, unless otherwise specified.

3.

A. SC REAL ESTATE SERVICES, INC.: Respondent SRESI is presently licensed and/or has license rights issued by the Bureau of Real Estate as a real estate corporate broker (license no. 01960431). SRESI was originally licensed as a corporate real estate broker on or about July 6, 2014. From November 2, 2015 to the present, Kevin H. Wong (license no. 01222102) was and is the designated officer of SRESI. From May 7, 2014 to November 2, 2015, MATILLA was the designated officer of SRESI. SRESI is owned by BRODERICK and his wife, Carly Guinn Broderick.

B. ROBERT MATILLA: Respondent MATILLA is presently licensed and/or has license rights issued by the Bureau of Real Estate as a real estate officer (license no. 00954482). Previously, from on or about May 8, 2004 to May 6, 2014, MATILLA had a real estate salesperson license.

C. STEVE J. BRODERICK: Respondent BRODERICK is presently licensed and/or has license rights issued by the Bureau of Real Estate as a real estate salesperson (license no. 01291282). BRODERICK was licensed with a conditional salesperson license from on or about June 29, 2000 to December 29, 2011. BRODERICK had a real estate salesperson license from on or about June 9, 2014 through the present. BRODERICK and his wife, Carly Guinn Broderick,¹ own SRESI.

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¹ At all times mentioned herein, Carly Broderick was and is not licensed by the Bureau of Real Estate in any capacity.

1 4.

2 Whenever reference is made in an allegation in this Accusation to an act or
3 omission of "Respondents," such allegation shall be deemed to mean that the officers, directors,
4 employees, agents, and real estate licensees employed by or associated with Respondents
5 committed such act or omission while engaged in the furtherance of the business or operations
6 of Respondents and while acting within the course and scope of their corporate authority and
7 employment, including, but not limited to, SRESI, WONG, MATILLA, and BRODERICK.

8 5.

9 At all times mentioned, in Orange County, SRESI, WONG, and MATILLA
10 engaged in the business of real estate brokers conducting licensed activities within the meaning
11 of Code section 10131(b). SRESI, WONG, and MATILLA engaged in operating a real
12 property management company by leasing, renting, and/or offering to rent places for rent,
13 soliciting for prospective tenants, and/or collecting rents from real property.

14
15 FIRST CAUSE OF ACCUSATION

16 (Trust Fund Audit)

17 6.

18 On or about February 26, 2016, the Bureau of Real Estate completed a property
19 management audit examination of the books and records of SRESI to determine whether SRESI
20 handled and accounted for trust funds and conducted its real estate activities in accordance with
21 the Real Estate Law and Regulations. The audit examination covered a period of time
22 beginning on July 14, 2014 and ended on August 31, 2015. The audit examination revealed
23 violations of the Code and the Regulations set forth in the following paragraphs, and more fully
24 discussed in Audit Report LA150029 and the exhibits and work papers attached to said audit
25 report.

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1 Bank Accounts/Trust Account

2 7.

3 At all times mentioned, in connection with the activities described in Paragraph
4 5, above, SRESI accepted or received funds including funds in trust ("trust funds") from or on
5 behalf of actual or prospective parties, such as owners of real property, involved in property
6 management services, and thereafter made deposits and/or disbursements of such funds. From
7 time to time herein mentioned, during the audit period, said trust funds were deposited and/or
8 maintained by SRESI in the bank account as follows:

9 "SC Real Estate Services, Inc."

10 ****694

11 Farmers and Merchants Bank

12 2302 Bellflower Blvd.

13 Long Beach, CA 90815

(BA 1)

14 8.

15 In the course of activities described in Paragraphs 5 and 7, above, and during the
16 audit examination period in Paragraph 6, above, Respondents SRESI and MATILLA acted in
17 violation of the Code and the Regulations as set forth below:

18 (a) Permitted, allowed, or caused the disbursement of trust funds from bank
19 account BA 1 where the disbursement of funds reduced the total of aggregate funds in BA 1 to
20 a total amount which, on August 31, 2015, was at least \$1,952.62 less than the existing
21 aggregate trust fund liability to every principal who was an owner of said funds, without first
22 obtaining the prior written consent of the owners of said funds, in violation of Code section
23 10145 and Regulations section 2832.1.

24 (b) Failed to maintain accurate and complete control records of all trust
25 funds received, deposited, and disbursed, in violation of Code section 10145 and Regulations
26 section 2831.

27 ///

1 (c) Failed to maintain accurate and complete separate records for each
2 beneficiary or property for all trust funds received and disbursed for BA 1, in violation of Code
3 section 10145 and Regulations section 2831.1.

4 (d) Failed to perform and maintain an accurate monthly reconciliation
5 comparing the balance of all separate beneficiary or transaction records (separate records) to the
6 balance of the record of all trust funds received and disbursed (control record) for BA 1, in
7 violation of Code section 10145 and Regulations section 2831.2.

8 (e) Failed to designate BA 1 as a trust account in the name of SRESI despite
9 holding trust funds in BA 1 from at least January 6, 2015 to October 19, 2015, in violation of
10 Code section 10145 and Regulations section 2832.

11 (f) Permitted Carly Guinn Broderick, wife of BRODERICK, who is
12 unlicensed and unbonded, to be an authorized signer make withdrawals on BA 1, as well as
13 permitted BRODERICK, who was unlicensed and unbonded during the audit period, to be an
14 authorized signer of BA 1, in violation of Code section 10145 and Regulation 2834.

15 (g) SRESI and BRODERICK commingled trust funds with SRESI's own
16 funds in BA 1 by transferring a minimum of \$495.00 of trust funds from BA 1 to SRESI's
17 general bank account (GA 1), in violation of Code sections 10145 and 10176(e) and
18 Regulations section 2832.

19 (h) SRESI and BRODERICK made disbursements and purchases by ATM
20 card from BA 1, an account used to hold trust funds, without written authorization from the
21 owners of said trust funds, in violation of Code sections 10145, 10176(i), and 10177(j).

22 (i) Used the fictitious business name of "Property Management, Inc." to
23 conduct licensed activities without holding a license bearing said fictitious business name, in
24 violation of Code section 10159.5 and Regulation section 2731.

25 (j) Failed to timely notify the Bureau of Real Estate of the employment of
26 salesperson, BRODERICK, in violation of Code section 10161.8 and Regulation section 2752.

27

1 (k) Failed to timely notify the Bureau of Real Estate of its offices at 17011
2 Beach Blvd., Suite 900, Huntington Beach, CA 92647 and 7222 Edinger Ave., Suite 200,
3 Huntington Beach, CA 92647, where licensed activities were conducted, in violation of Code
4 section 10162.

5 (l) MATILLA failed to exercise reasonable control and supervision over the
6 activities conducted on behalf of SRESI as necessary to secure full compliance with the Real
7 Estate Laws, including, but not limited to establishing policies, rules, procedures, and systems
8 to review, oversee, and inspect the handling of trust funds, in violation of Code sections
9 10159.5 and 10177(h) and Regulations section 2725.

10 9.

11 The conduct of Respondents SRESI, MATILLA, and BRODERICK described in
12 Paragraph 8, above, violated the Code and the Regulations as set forth below:

13 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
14 8(a)	Code section 10145 and Regulations section 2832.1
15 8(b)	Code section 10145 and Regulations section 2831
16 8(c)	Code section 10145 and Regulations section 2831.1
17 8(d)	Code section 10145 and Regulations section 2831.2
18 8(e)	Code sections 10145 and Regulations section 2832
19 8(f)	Code section 10145 and Regulation 2834
20 8(g)	Code sections 10145 and 10176(e) and Regulations section 2832
21 8(h)	Code sections 10145, 10176(i), and 10177(j)
22 8(i)	Code section 10159.5 and Regulation section 2731
23 8(j)	Code section 10161.8 and Regulation section 2752
24 8(k)	Code section 10162
25 8(l)	Code sections 10159.5 and 10177(h) and Regulations section 2725

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1 The foregoing violations constitute cause for discipline of the real estate license and license
2 rights of SRESI and MATILLA under the provisions of Code sections 10176(e), 10176(i),
3 10177(d), 10177(g), 10177(h), and/or 10177(j).

4
5 SECOND CAUSE OF ACCUSATION

6 (Supervision and Compliance)

7 10.

8 The overall conduct of Respondent SRESI constitutes a failure on said
9 MATILLA's part, as officer designated by a corporate broker licensee, to exercise the
10 reasonable supervision and control over the licensed activities of SRESI, as required by Code
11 sections 10159.2, and to keep SRESI in compliance with the Real Estate Law.

12 11.

13 SRESI and MATILLA's conduct as alleged in Paragraphs 3-9, above, is cause
14 for discipline of the real estate license and real estate license rights of Respondent MATILLA
15 pursuant to Code sections 10177(d), 10177(g), and 10177(h) and Regulations section 2725.

16
17 COSTS

18 12.

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

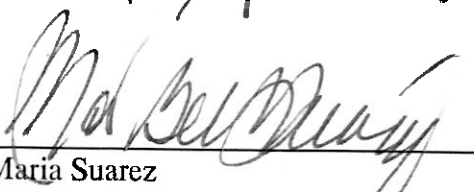
23 13.

24 Code section 10106 provides, in pertinent part, that in any order issued in
25 resolution of a disciplinary proceeding before the Bureau of Real Estate, the Commissioner may
26 request the administrative law judge to direct a licensee found to have committed a violation of
27

1 this part to pay a sum not to exceed the reasonable costs of investigation and enforcement of the
2 case.

3 WHEREFORE, Complainant prays that a hearing be conducted on the
4 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
5 disciplinary action against the license and license rights of Respondents SC REAL ESTATE
6 SERVICES, INC., ROBERT MATILLA, individually and as designated officer of SC Real
7 Estate Services, Inc., and STEVE J. BRODERICK, for the cost of investigation and
8 enforcement pursuant to Code section 10106 and as permitted by law, and for such other and
9 further relief as may be proper under other applicable provisions of law, including, but not
10 limited to, costs of audit pursuant to Code section 10148(b).

11 Dated at Los Angeles, California: 26 September, 2017.

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14 Maria Suarez
15 Supervising Special Investigator
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22 cc: SC Real Estate, Inc.
23 Robert Matilla
24 Steve J. Broderick
25 Maria Suarez
26 Sacto
27 Enforcement
Audits – Isabel Beltran