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2 Bureau of Real Estate
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FILED

JUN 28 2018

BUREAU OF REAL ESTATE

By John C. Gair

7
8 **BEFORE THE BUREAU OF REAL ESTATE**
9 **STATE OF CALIFORNIA**

10 * * *

11 In the Matter of the Accusation of

No. H-41087 LA

12
13 **SAMIR RAI**

ACCUSATION

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16 Respondent.

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19 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of
20 the State of California, for cause of Accusation against SAMIR RAI, alleges as follows:

21 1.

22 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of
23 the State of California, makes this Accusation in her official capacity.

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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.

BACKGROUND

3.

SAMIR RAI

A. Respondent SAMIR RAI ("RAI") is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as a real estate broker ("REB"), California Bureau of Real Estate ("BRE" or "Bureau" or "CalBRE") license ID 01868728.

B. RAI has been licensed as a REB by the Bureau since December 12, 2014.

C. RAI was originally licensed by the Bureau as a RES on or about March 10, 2011.

D. RAI's BRE mailing and main address of record are the same: 2729 Saturn St., #A, Brea, CA 92821.

E. According to BRE records to date, RAI has one (1) active DBA under his BRE license: Keystone Realty Group ("Keystone"), active as of December 12, 2014.

F. According to BRE records to date, RAI has no branch offices under his BRE license

G. According to BRE records to date, RAI has six (6) RES under his BRE license.

H. RAI's BRE license will expire on December 11, 2018.

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Nicholas Fred Manfredi

A. Nicholas Fred Manfredi ("Manfredi") is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as a RES, CalBRE license ID 01893754.

B. Manfredi was originally licensed by the BRE as a RES on or about March 18, 2011.

C. Manfredi's current employing REB of record is Reliance Real Estate Services of California, CalBRE license ID 02014163. From January 27, 2015 to February 20, 2017, Manfredi's employing REB of record was RAI.

D. Manfredi's BRE license will expire on March 17, 2019.

E. According to a September 9, 2013 Statement of Information (California Corporate Number C2468981) filed with the California Secretary of State, Manfredi is the Chief Executive Officer and Chief Financial Officer, as well as a Director, of Forum Real Estate Investments, Inc.

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

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

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

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

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7.

On or about April 18, 2015, out-of-state Seller Trustee of the Bernita W. Trust ("Seller¹") signed a Residential Listing Agreement (Exclusive Authorization and Right to Sell) ("RLA") with Keystone. The RLA was signed by Respondent RAI on behalf of Keystone and

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1 granted Keystone the exclusive right to sell or exchange the real property located at 2829
2 Freckles Rd., Lakewood, California ("Freckles property" or "subject property") for the period
3 beginning April 16, 2015 and ending December 16, 2015.

4 8.

5 According to Seller, RAI stated that the subject property needed to be "guttled"
6 and that it was in bad shape, and discussed an asking price of approximately \$365,000. Seller
7 ordered an independent appraisal of the subject property, which yielded a value of \$437,000 if
8 repairs were made. Seller authorized and paid \$4,000 out of pocket for repairs.

9 9.

10 List Price of \$429,000

11 According to the Multiple Listing Service ("MLS"), the subject property was
12 listed through RAI and Keystone for \$429,000 on August 12, 2015.

13 10.

14 Offers Relayed to Seller

15 According to Seller, on August 13, 2015, Seller was made aware of three (3)
16 offers, two (2) of which were received in writing via e-mail from RAI
17 (samir@keystonefirm.com), and all of which were declined:

18 A. One of the written offers had a time stamp of 5:22 PM and came from
19 Jason V. of Shark Investment; this was an all-cash offer for \$350,000 with a close date of three
20 to five days, and included an offer of an "aggressive EMD if you choose."

21 B. The other written offer had a time stamp of 6:43 PM and came from
22 Forum Real Estate Investment and Nick Manfredi; according to Seller, this was an all-cash offer
23 for \$365,000 with a ten-day close.

24 C. The third offer, which Seller is unclear as to its origins whether verbal
25 or email, was for \$365,000 with a seven-day or earlier close.

1 D. During the period that Seller received offers as relayed to them by
2 RAI, Seller was not made aware that Forum Real Estate Investments, Inc. belonged to RAI's
3 RES Manfredi.

4 11.

5 Listing Placed on Hold

6 On August 13, 2015, one day after the subject property was listed, a "Hold" was
7 placed on it, according to the MLS.

8 12.

9 On August 18, 2015, Seller received an offer from Aaron M. of Yellowstone
10 LLC for \$400,000 and a 14-day close. Upon negotiation for \$405,000, Seller agreed.

11 13.

12 Also on August 18, 2015, according to Seller, RAI informed Seller via e-mail
13 that there was another offer for \$405,000 with a 30-day loan. No paperwork was presented to
14 Seller.

15 Sale Price of \$405,000

16 14.

17 According to the Final Settlement Statement (HUD-1), escrow on the subject
18 property closed on September 11, 2015 with a closing price of \$405,000. According to the
19 HUD-1, the borrower, Forum Real Estate Investments, Inc. ("Buyer") borrowed \$425,250 for a
20 term of 30 years.

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1 regarding David D.'s relationship with White Realty Associates; and proof of funds, in the form
2 of check copies for four (4) checks totaling \$435,000.

3 C. On August 14, 2015, at 5:02 PM, David D. called RAI to confirm RAI's
4 receipt of his offer. Although David D. left a message, RAI did not return the call.

5 D. On August 14, 2015, at 5:37 PM, David D. called RAI again. RAI answered
6 the call and indicated that a better cash offer was accepted.

7 E. When David D. subsequently discovered that the subject property had sold
8 for \$30,000 less than his offer, he contacted RAI to inquire about the ultimate sale price. RAI
9 responded that the Seller took the offer that included a seven-day escrow and that 17 offers had
10 been received in total.

11 F. According to Seller, they were not made aware of David D.'s August 13, 2015
12 offer. Also according to Seller, "we were not made aware of it in any way. If we had, we
13 would have accepted."

14 19.

15 **Tri-Counties Association of Realtors Decision, Case #E-3-15**

16 A. On or about April 28, 2016, a hearing was held before the Tri-Counties
17 Association of Realtors ("TCAR") in Case #E-3-15 regarding RAI and Keystone. On May 6,
18 2016, TCAR issued a Decision and Findings of Fact in Case #E-3-15 and found RAI in
19 violation of:

20 1. Code of Ethics, Article 1 (Protect and Promote Your Client's Interests,
21 but be Honest with All Parties);

22 2. Code of Ethics, Article 2 (Avoid Exaggeration, Misrepresentation, and
23 Concealment of Pertinent Facts. Do Not Reveal Facts that are Confidential under the Scope of
24 Your Agency Relationship);

1 3. Code of Ethics, Article 3 (Cooperate with Other Real Estate
2 Professionals to Advance Client's Best Interests);

3 4. Code of Ethics, Article 4 (When Buying or Selling, Make Your
4 Position in the Transaction or Interest Known);

5 5. MLS Rules & Regulations 9.4 (The Listing Broker must make
6 arrangements to present the offer as soon as possible, or give the Cooperating Broker a
7 satisfactory reason for not doing so. In the event the Listing Broker will not be participating in
8 the presentation of offers, the Listing Broker shall clearly indicate this fact in the listing
9 information published by the MLS); and

10 6. MLS Rules & Regulations 9.5 (The Listing Broker shall submit to the
11 seller(s) all offers and counter-offers until closing unless precluded by law, governmental rule,
12 or expressly instructed by the seller(s)/landlord(s) otherwise. The Cooperating Broker acting
13 for a buyer(s)/tenant(s), shall submit to buyer/tenant all offers and counter-offers until
14 acceptance unless precluded by law, governmental rule, or expressly instructed by the
15 buyer(s)/tenant(s) otherwise.

16 B. According to the TCAR's Findings of Fact, Respondent stated that he was
17 aware of David D.'s offer when David D. contacted him about it. Also according to the
18 TCAR's Findings, RAI verbally accepted an offer on the subject property on August 2, 2015 –
19 ten days in advance of listing the subject property. Also according to the TCAR's Findings,
20 Respondent stated in his written response to the TCAR that "he was not aware of the
21 Complainant's offer until he received an Ethics Complaint in October 2015. Respondent then
22 checked his e-mail and found the offer in his spam."

23 C. RAI received a Letter of Reprimand in his TCAR member file for one year
24 and was ordered to complete a California Association of Realtors online ethics class within
25 sixty (60) days.

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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 the licenses and license rights of Respondents SAMIR RAI under the
4 Real Estate Law (Part 1 of vision 4 of the Business and Professions Code), for the cost of
5 investigation and enforcement as permitted by law, and for such other and further relief as may
6 be proper under other provisions of law, and for costs of audit.

7 Dated at Los Angeles, California

8 this 20 day of June, 2018.

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11 Veronica Kilpatrick
12 Supervising Special Investigator
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16 cc: SAMIR RAI
17 Enforcement – A. Perez, V. Kilpatrick
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