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FILED

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DEPT. OF REAL ESTATE

By John C. Aguirre

9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of) No. H-41191 LA
13 ANTHONY RAYMOND HERNANDEZ, doing) ACCUSATION
14 business as Roman Realty Services,)
15 Respondent.)
16)

17 The Complainant, Maria Suarez, a Supervising Special Investigator of the State
18 of California, for cause of Accusation against ANTHONY RAYMOND HERNANDEZ, doing
19 business as Roman Realty Services, ("Respondent") alleges as follows:

20 1.

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

23 2.

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

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1 LICENSE HISTORY

2 3.

3 a. Respondent ANTHONY RAYMOND HERNANDEZ is presently licensed
4 and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California
5 Business and Professions Code, as a real estate broker, Department of Real Estate¹
6 (“Department”) license ID 01196583.

7 b. The Department originally issued Respondent’s broker license on July 29,
8 1999. Respondent’s license is scheduled to expire on July 28, 2019, unless renewed.

9 c. According to the Department’s records to date, Respondent’s main office
10 address is 12540 E. Slauson Avenue, Suite I, in Santa Fe Springs, California.

11 d. As of May 9, 2017, Respondent employed eight (8) salespersons under his
12 real estate broker license. According to the Department’s records to date, Respondent currently
13 employs seven (7) salespersons under his license.

14 e. According to the Department’s records to date, Respondent maintains the
15 authorized fictitious business names “Southland Mortgage Group” and “Southland Properties &
16 Assoc.” From July 7, 2016 through July 9, 2017, Respondent maintained the authorized
17 fictitious business name “Roman Realty Services.”

18 4.

19 At all times relevant herein Respondent was engaged in the business of, acted in
20 the capacity of, advertised or assumed to act as a real estate broker, within the meaning of
21 Section 10131(b) of the Code. Respondent’s activities included the leasing or renting of real
22 property and the collection of rents and security deposits for real property on behalf of others
23 for compensation or in expectation of compensation.

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27 ¹ Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate under the Department of Consumer Affairs.

1 (AUDIT)

2 5.

3 On or about November 30, 2017, the Department completed an audit
4 examination of the books and records of Respondent pertaining to the real estate activities
5 described in Paragraph 4 above. The audit examination covered the period of time from
6 January 1, 2016, through November 30, 2016 ("audit period"). The primary purpose of the
7 examination was to determine Respondent's compliance with the Real Estate Law. This audit
8 was limited to Respondent's property management activity. The audit examination revealed
9 violations of the Code and the Regulations as set forth in the following paragraphs, and more
10 fully discussed in Audit No. LA160024 and the exhibits and work papers attached to said audit
11 report.

12 6.

13 According to Respondent and the documents examined, Respondent, doing
14 business as Roman Realty Services, managed approximately ninety-two (92) properties for
15 fifty-seven (57) property owners. Respondent handled trust funds from January 2016 through
16 November 2016 for its property management activities. Respondent charged a monthly flat fee
17 in addition to a management fee of 6% to 9% of the rents collected.

18 7.

19 In addition, according to Respondent, he was engaged in real estate sales activity
20 during the audit period representing both buyers and sellers. Respondent closed approximately
21 twenty-six (26) sales transactions during the audit period. This audit, however, was limited to
22 Respondent's property management activities from January 1, 2016, through November 30,
23 2016.

24 8.

25 An interview was held on December 16, 2016, with Respondent and Christina
26 Roman ("Roman"), who at the time of the interview and during the audit period, was not
27 licensed by the Department in any capacity. As of December 29, 2017, Roman has been

1 licensed by the Department as a real estate salesperson, license ID 01996322. Since May 18,
2 2018, Roman's employing broker is Anthony Gonzalez ("Gonzalez"), license ID 01983866.
3 Anthony Gonzalez is Roman's son. From on or about December 19, 2015, through July 4,
4 2017, while Gonzalez held a real estate salesperson license, Respondent was Gonzalez'
5 employing broker.

6 9.

7 According to Roman, she purchased a portfolio with approximately one hundred
8 fifty (150) properties in July 2014 from Olga Bohm Spellacy, a real estate broker, license ID
9 01252310. According to Respondent, Roman owns the property management business and
10 Roman conducted property management activities under Spellacy's license for the period from
11 July 2014 through February 2015. According to Roman, from February 2015 through January
12 2016, property management activities were conducted under Carla Denise Phillips, a real estate
13 broker, license ID 01217100, and from January 2016 to the date of the interview, the property
14 management activities were handled under Respondent. According to Respondent, he has been
15 the broker for Roman's property management business since March 2016.

16 10.

17 At all times mentioned herein, and in connection with the property management
18 activities described in Paragraph 4, above, Respondent accepted or received funds, including
19 funds in trust ("trust funds") from or on behalf of the owners of the properties managed by
20 Respondent, doing business as Roman Realty Services, and thereafter made deposits and/or
21 disbursements of such funds. According to Respondent, he maintained six (6) bank accounts for
22 handling of the receipts and disbursements of rents during the audit period in connection with
23 his property management activity. The bank accounts are as follows:

24 Bank Account 1 ("BA 1")

25 Bank: Bank of America
26 Account Name: Roman Realty Services
27 Account Number: xxxxxxxx0126

1 Signatories: Anthony Hernandez, Christina Roman, Anthony Gonzalez
2 Signatures Required: One
3 Purpose: BA 1 was maintained for the receipts and disbursements of trust funds
4 for multiple beneficiaries in connection with Respondent's property management activity.
5 According to Respondent and BA 1's bank signature card provided for the audit, BA 1 was
6 opened on February 1, 2016. As of November 30, 2016, BA 1 had a bank balance of \$8,862.26.

7 Bank Account 2 ("BA 2")

8 Bank: Bank of America
9 Account Name: Spellacy Real Estate and Property Manage
10 Account Number: xxxxxxxx8430
11 Signatories: (signature card was not provided)
12 Purpose: According to Respondent, Roman, and BA 2's bank statements, BA 2
13 was maintained for the receipts and disbursements of trust funds for multiple beneficiaries.
14 According to Respondent, BA 2 was opened by Olga Bohm Spellacy. The control records for
15 BA 2 were not made available for examination. As of November 30, 2016, BA 2 had a bank
16 balance of \$193.41.

17 Bank Account 3 ("BA 3")

18 Bank: Bank of America
19 Account Name: Spellacy Real Estate and Property Manage
20 Account Number: xxxxxxxx8524
21 Signatories: (signature card was not provided)
22 Purpose: According to Respondent, Roman, and BA 3's bank statements, BA 3
23 was maintained for the receipts and disbursements of trust funds for multiple beneficiaries.
24 According to Respondent, BA 3 was opened by Olga Bohm Spellacy. The control records for
25 BA 3 were not made available for examination. As of November 30, 2016, BA 3 had a bank
26 balance of \$1,053.65.

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Bank Account 4 ("BA 4")

Bank: Bank of America
Account Name: Roman Realty Services Rents
Account Number: xxxxxxxx7981
Signatories: Anthony Hernandez, Anthony Gonzalez, Christina Roman.
Signatures Required: One
Purpose: According to Respondent and Roman, BA 4 was maintained for the receipts and disbursements of trust funds for multiple beneficiaries. According to BA 4's bank signature card provided for the audit, BA 4 was opened on February 1, 2016. The control records for BA 4 were not made available for examination. On or about May 1, 2017, Respondent removed Roman as a signer of BA 4.

Bank Account 5 ("BA 5")

Bank: Bank of America
Account Name: Roman Realty Services Section 8 Deposits
Account Number: xxxxxxxx7978
Signatories: Anthony Hernandez, Anthony Gonzalez, Christina Roman
Signatures Required: One
Purpose: According to Respondent and Roman, BA 5 was maintained for the receipts and disbursements of trust funds for multiple beneficiaries for Section 8 deposits. According to BA 5's bank signature card provided for the audit, BA 5 was opened on February 1, 2016. BA 5's bank statements and control records were not made available for examination. On or about May 1, 2017, Respondent removed Roman as a signer.

Bank Account 6 ("BA 6")

Bank: Bank of America
Account Name: Roman Realty Services Security Deposits
Account Number: xxxxxxxx7965

1 Signatories: BA 6's name of signers could not be verified to BA 6's signature card
2 because the bank signature card for the time period prior to May 1, 2017, was not provided for
3 the audit.

4 Purpose: According to Respondent and Roman, BA 6 was maintained for the
5 receipts and disbursements of trust funds for multiple beneficiaries for security deposits.

6 Auditor was unable to determine when Respondent opened BA 6.

7 Violations

8 11.

9 The audit examination revealed violations of the Code and the Regulations, as
10 set forth in the following paragraphs, and more fully discussed in Audit Report No. LA160024
11 and the exhibits and work papers attached to the audit report:

12 (a) Trust Fund Balance and Accountability (Code section 10145(a) and
13 Regulations section 2832.1).

14 (i) BA 1. As of November 30, 2016, there was a minimum trust fund
15 shortage of <\$29,571.55>. The shortage was caused by negative property balances of
16 <\$29,571.55>. As of November 30, 2016, \$9,188.94 could not be identified due to poor
17 recordkeeping. Respondent did not provide any evidence that the owners of the trust funds in
18 BA 1 had given their written consent to allow Respondent to reduce the balance of the funds in
19 BA 1 to an amount less than the existing aggregate trust fund liabilities in violation of Code
20 Section 10145(a) and Regulations section 2832.1.

21 (ii) BA 2. Complete trust fund records were not made available for
22 examination for the period from January 2016 through November 2016. Respondent only
23 provided bank statements from January 2016 through November 2016. Based on those bank
24 statements, BA 2 had a bank balance of \$193.41 as of November 30, 2016. The auditor was
25 unable to verify and determine the accountability for BA 2 as of November 30, 2016.

26 (iii) BA 3. Complete trust fund records were not made available for
27 examination for the period from January 2016 through November 2016. Respondent only

1 provided bank statements from January 2016 through November 2016. Based on those bank
2 statements, BA 3 had a bank balance of \$1,053.65 as of November 30, 2016. The auditor was
3 unable to verify and determine the accountability for BA 3 as of November 30, 2016.

4 (iv) BA 4. Complete trust fund records were not made available for
5 examination for the period from January 2016 through November 2016. Respondent only
6 provided the bank signature card for BA 4. The auditor was unable to verify and determine the
7 accountability for BA 4 as of November 30, 2016.

8 (v) BA 5. Complete trust fund records were not made available for
9 examination for the period from January 2016 through November 2016. Respondent only
10 provided the bank signature card for BA 5. The auditor was unable to verify and determine the
11 accountability for BA 5 as of November 30, 2016.

12 (vi) BA 6. Complete trust fund records were not made available for
13 examination for the period from January 2016 through November 2016. Respondent only
14 provided the bank signature card for BA 6. The auditor was unable to verify and determine the
15 accountability for BA 4 as of November 30, 2016.

16 (b) Handling of Trust Funds and Trust Fund Records to be Maintained
17 (Code section 10145 and Regulations section 2831). Respondent provided a record of all trust
18 funds received and disbursed (control record) for BA 1. The control record, however, was
19 inaccurate and incomplete as it did not indicate the date the funds were deposited into BA 1 in
20 violation of Regulation 2831. Respondent did not make the control records for BA 2, BA 3, BA
21 4, BA 5, or BA 6 related to Respondent's property management activity available for the audit
22 examination in violation of Code section 10145.

23 (c) Trust Fund Handling (Code section 10145 and Regulations section
24 2832). Based on an examination of the bank signature cards for BA 1, BA 4, BA 5, and BA 6,
25 bank accounts used to hold trust funds, the accounts were not designated as trust accounts in the
26 name of Respondent as trustee in violation of Code section 10145 and Regulations section
27 2832). Bank signature cards for BA 2 and BA 3 were not provided. According to the bank

1 signature cards for BA 1, BA 4, and BA 5, the accounts were named as "Roman Realty
2 Services." BA 6's account name appeared as "Roman Realty Services, Security Deposits" as of
3 May 1, 2017.

4 (d) Handling of Trust Funds and Trust Account Withdrawals (Code section
5 10145 and Regulations section 2834). Based on an examination of the bank signature cards,
6 Respondent HERNANDEZ allowed Roman to make withdrawals on BA 1, BA 4, and BA 5
7 while she was not licensed by the Department in any capacity and not covered by a fidelity
8 bond during the audit period in violation of Code section 10145 and Regulations section 2834.
9 On or about May 1, 2017, Respondent removed Roman as a signer on BA 4 and BA 5.

10 (e) Handling of Trust Funds and Separate Records for Each Beneficiary or
11 Transaction (Code section 10145(g) and Regulations section 2831.1). The separate records
12 for each beneficiary or transaction for BA 1, BA 2, BA 3, BA 4, BA 5, and BA 6 related to
13 Respondent's property management activity, were not made available for the audit examination
14 in violation of Code section 10145(g) and Regulations section 2831.1.

15 (f) Handling of Trust Funds and Trust Account Reconciliation (Code
16 section 10145 and Regulations section 2831.2). Respondent did not maintain monthly records
17 of the reconciliation of the BA 1, BA 2, BA 3, BA 4, BA 5, and BA 6 comparing the balance of
18 all the separate records to the balance of the records of all trust funds received and disbursed
19 (control record) in violation of Code section 10145 and Regulations section 2831.2. Respondent
20 did not reconcile the minimum unidentified funds of \$9,188.94 in BA 1 as of November 30,
21 2016, which could not be identified due to poor recordkeeping.

22 (g) Use of False or Fictitious Business Name (Code section 10159.5 and
23 Regulations section 2731). Respondent conducted his property management activities using
24 the unlicensed fictitious business names "Roman Realty Services," "Spellacy Property
25 Management" and "Roman Realty Services & Property Management" when Respondent was
26 not the holder of the license bearing those fictitious names in violation of Code section 10159.5
27 and Regulations section 2731.

1 has found in a final decision, following a disciplinary hearing, that the broker has violated
2 Section 10145 of the Code or a regulation or rule of the Commissioner interpreting said Code
3 section.


4 (INVESTIGATION AND ENFORCEMENT COSTS)

5 14.

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

10 WHEREFORE, Complainant prays that a hearing be conducted on the
11 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
12 disciplinary action against all the licenses and/or license rights of Respondent ANTHONY
13 RAYMOND HERNANDEZ, doing business as Roman Realty Services, under the Real Estate
14 Law, for the costs of investigation and enforcement as permitted by law, for the cost of the
15 audit, and for such other and further relief as may be proper under other applicable provisions
16 of law.

17
18 Dated at Los Angeles, California this 8th day of October, 2018.

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21 
22 Maria Suarez
23 Supervising Special Investigator

24
25 cc: ANTHONY RAYMOND HERNANDEZ
26 Maria Suarez
27 Sacto.
Audits – Isabel Beltran

ACCUSATION