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FILED

MAY 12 2020

DEPT. OF REAL ESTATE

By *Zni J*

7
8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)	No. H- 41663 LA
)	
12 MARA GROUP, INC.; and)	
13 ELENA MARA PAULINO, individually)	<u>ACCUSATION</u>
and as designated officer of Mara Group, Inc.)	
)	
14 Respondents.)	
)	

16 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
17 State of California, acting in her official capacity, for cause of Accusation against Respondents
18 MARA GROUP, INC. ("MGI") and ELENA MARA PAULINO ("PAULINO"), individually
19 and as designated officer of Mara Group, Inc., is informed and alleges as follows:

20 1.

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

23 2.

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

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3.

a. From on or about June 27, 2014 to June 26, 2018, Respondent MGI was licensed by the Department Real Estate as a real estate corporation (license no 01954678). During its entire time of licensure, MGI's designated officer was PAULINO. PAULINO was also the chief executive officer ("CEO") and 100 percent shareholder of MGI. MGI's fictitious business name was "Prestige Properties – Desert Cities" from on or about October 27, 2014 to June 27, 2018.

b. Respondent PAULINO is presently licensed and/or issued by the Department of Real Estate as a real estate broker (license no. 01151769). PAULINO was originally licensed as a real estate broker on or about May 28, 2008. Previously, PAULINO had a real estate salesperson license. PAULINO's fictitious business names were "Elite Group Mortgage" from on or about February 9, 2009 to April 8, 2012, "Elite Rentals & Property Management" from on or about February 9, 2009 to April 8, 2012, and "Prestige Properties-Desert Cities" from on or about March 25, 2019 to November 24, 2019.

4.

Whenever acts referred to below are attributed to MGI and/or PAULINO, those acts are alleged to have been done by MGI and/or PAULINO, acting by itself/himself/themselves, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators.

5.

At all times mentioned, in the County of San Bernardino, MGI and PAULINO were engaged in the business of a real estate broker conducting licensed activities within the meaning of Code section 10131(b) ("[I]leases or rents or offers to lease or rent, or places for rent, or solicits listings of places for rent, or solicits for prospective tenants, or negotiates the sale, purchase, or exchanges of leases on real property, or on a business opportunity, or collects rents from real property, or improvements thereon, or from business opportunities").

1 (Trust Fund Audit)

2 6.

3 On or about June 27, 2019, the Department of Real Estate completed an audit
4 examination of the books and records of MGI to determine whether MGI and PAULINO
5 handled and accounted for trust funds and conducted their real estate activities in accordance
6 with the Real Estate Law and Regulations. The audit examination covered a period of time
7 beginning on March 1, 2016 and ending on February 28, 2019. The audit examination revealed
8 violations of the Code and the Regulations set forth in the following paragraphs, and more fully
9 discussed in Audit Report LA180079 and the exhibits and work papers attached to said audit
10 report.

11
12 Trust Accounts

13 7.

14 At all times mentioned, in connection with the activities described in Paragraph
15 5, above, MGI and PAULINO accepted or received funds including funds in trust (“trust
16 funds”) from or on behalf of actual or prospective parties, such as sellers and buyers of real
17 property, and thereafter made deposits and/or disbursements of such funds. From time to time
18 herein mentioned, during the audit period, said trust funds were deposited and/or maintained
19 by MGI and PAULINO in the trust accounts as follows:

20 “Mara Group, Inc.”

21 *****5782

22 Wells Fargo Bank

23 57125 Twentynine Palms Hwy.

24 Yucca Valley, CA 92284

(B/A 1)

25 “Mara Group, Inc.”

26 *****5790

27 Wells Fargo Bank

57125 Twentynine Palms Hwy.

Yucca Valley, CA 92284

(B/A 2)

1 "Anele Group, Inc.
2 DBA Prestige Properties
3 Rentals"
4 *****1057
5 Wells Fargo Bank
6 57125 Twentynine Palms Hwy.
7 Yucca Valley, CA 92284 (B/A 3)

8 "Anele Group, Inc.
9 DBA Elite Rentals & Property Management
10 Rental Account"
11 *****1577
12 Wells Fargo Bank
13 57125 Twentynine Palms Hwy.
14 Yucca Valley, CA 92284 (B/A 4)

15 General Funds Accounts

16 8.

17 At all times mentioned, in connection with the activities described in Paragraph
18 5, above, MGI and PAULINO also maintained receipts and disbursed funds for general
19 business activities through the following bank accounts:

20 "Mara Group, Inc."
21 *****5774
22 Wells Fargo Bank
23 57125 Twentynine Palms Hwy.
24 Yucca Valley, CA 92284 (G/A 1)

25 "Elena M. Paulino
26 DBA Anele Group, Inc."
27 *****9680
28 Wells Fargo Bank
29 57125 Twentynine Palms Hwy.
30 Yucca Valley, CA 92284. (G/A 2)

31 "Mara Group, Inc.
32 DBA Prestige Properties
33 Payroll Funding Account"
34 *****5667
35 Wells Fargo Bank
36 57125 Twentynine Palms Hwy.
37 Yucca Valley, CA 92284 (B/A 3)

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

(a)(1) Permitted, allowed, or caused the disbursement of trust funds from the trust accounts B/A 1 and B/A 2 where the disbursement of funds reduced the total of aggregate funds in B/A 1 and B/A 2, combined, to an amount which, on February 28, 2019, was at least \$456,541.01 less than the existing aggregate trust fund liability to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, in violation of Code section 10145 and Regulations section 2832.1. MGI's real estate license was expired during part of the audit period, June 27, 2018 through February 28, 2019.

(a)(2) Permitted, allowed, or caused the disbursement of trust funds from the trust accounts B/A 1 and B/A 2 where the disbursement of funds reduced the total of aggregate funds in B/A 1 and B/A 2, combined, to an amount which, on June 26, 2018, was at least \$387,060.39 less than the existing aggregate trust fund liability to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, in violation of Code section 10145 and Regulations section 2832.1.

(b) MGI conducted licensed activities, including, but not limited to, managed properties for others, solicited listings of real property for rent, solicited for prospective tenants, negotiated leases and property management agreements, collected rents, and disbursed trust funds for compensation, while its license was expired on or about June 28, 2018 through at least February 28, 2019, in violation of Code section 10130. MGI's real estate license expired on June 27, 2018.

(c) Failed to maintain an accurate and complete control record in the form of a columnar record in chronological order of all trust funds received, deposited, and disbursed from B/A 1 and B/A 2 both from March 1, 2016 to June 26, 2018 and from June 27, 2018 to

1 February 28, 2019, in violation of Code section 10145 and Regulations section 2831. MGI's
2 real estate license expired on or about June 26, 2018.

3 (d) Failed to maintain an accurate and complete separate record for each
4 beneficiary or transaction, thereby failing to account for all trust funds received, deposited, and
5 disbursed from B/A 1 and B/A 2 both from March 1, 2016 to June 26, 2018 and from June 27,
6 2018 to February 28, 2019, in violation of Code section 10145 and Regulations section 2831.1.

7 (e) Failed to maintain a monthly reconciliation of all the separate records to the
8 control record of all trust funds received and disbursed for B/A 1 and B/A 2 both from March
9 1, 2016 to June 26, 2018 and from June 27, 2018 to February 28, 2019, in violation of Code
10 section 10145 and Regulations section 2831.2.

11 (f)(1) Failed to designate B/A 1 and B/A 2 as trust fund accounts, in violation of
12 Code section 10145 and Regulations section 2832.

13 (f)(2) Failed to name MGI as the trustee of B/A 3 and B/A 4 when B/A 3 and
14 B/A 4 were used for the handling the receipts and disbursements of trust funds in connection
15 with property management activities, in violation of Code section 10145 and Regulations
16 section 2832.

17 (g) Permitted Jessica Paulino ("Jessica"), an unlicensed and unbonded person,
18 to be an authorized signatory on B/A/1, B/A 2, and B/A 4, in violation of Code section 10145
19 and Regulations section 2834.

20 (h) Permitted Janemarie Nicole Paulino aka Janemarie Nicole-Paulino Ofahulu
21 ("Janemarie"), an unlicensed and unbonded person, to be an authorized signatory on B/A/1,
22 B/A 2, B/A 3, and B/A 4 from at least March 1, 2016 to September 24, 2017, in violation of
23 Code section 10145 and Regulations section 2834. On or about September 25, 2017, Janemarie
24 obtained a real estate license (license no. 02029947).

25 (i)(1) Commingled trust funds with MGI's general funds by transferring and
26 depositing trust funds back and forth between B/A 1 and MGI's general business accounts, G/A
27

1 1, G/A 2, and G/A 3, in violation of Code sections 10145 and 10176(e) and Regulations section
2 2832.

3 (i)(2) Commingled trust funds with MGI's general funds by transferring and
4 depositing trust funds back and forth between B/A 2 and MGI's general business accounts, G/A
5 1, G/A 2, and G/A 3, in violation of Code sections 10145 and 10176(e) and Regulations section
6 2832.

7 (j) PAULINO commingled and converted trust funds totaling at least
8 \$107,227.45 from B/A 1 and B/A, combined, as of June 26, 2018, in violation of Code sections
9 10145, 10176(e), and 10176(i)/10177(j) and Regulations section 2832. PAULINO deposited
10 and commingled trust funds with MGI's general business accounts, G/A 1, G/A 2, and G/A 3 to
11 pay for MGI's general business activities and pay for PAULINO's personal and financial
12 obligations.

13 (k) Used the unlicensed fictitious names, "Prestige Properties," "Prestige
14 Properties DC – Rentals," and "Elite Rentals & Property Management," to conduct licensed
15 activities, without holding a license bearing the fictitious business names, in violation of Code
16 section 10159.5 and Regulations section 2731.

17 (l) MGI engaged in the business of a real estate broker while not in good legal
18 standing with the Office of the Secretary of State from on or about October 2, 2017 to June 26,
19 2018, in violation of Regulations section 2742(c). On or about October 2, 2017, the Franchise
20 Tax Board suspended MGI's corporate license.

21 (m) The overall conduct of PAULINO constitutes a failure on PAULINO's
22 part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision
23 and control over the licensed activities of MGI to keep MGI in compliance with the Real Estate
24 Law, in violation of Code section 10159.2 and Regulation section 2725.

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1 (COSTS)

2 11.

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

8 12.

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

13 WHEREFORE, Complainant prays that a hearing be conducted on the
14 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
15 disciplinary action against the license and license rights of MARA GROUP, INC. and ELENA
16 MARA PAULINO under the Real Estate Law (Part 1 of Division 4 of the California Business
17 and Professions Code), for the cost of investigation and enforcement pursuant to Code section
18 10106 and as permitted by law, and for such other and further relief as may be proper under
19 other applicable provisions of law, including costs of audit pursuant to Code section 10148(b).

20 Dated at San Diego, California: April 30, 2020.

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22 
23 Veronica Kilpatrick
Supervising Special Investigator

24 cc: Mara Group, Inc.
25 Elena Mara Paulino
26 Veronica Kilpatrick
27 Sacto
Enforcement
Audits - Zaky Wanis