

1 DEPARTMENT OF REAL ESTATE
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FILED

AUG 02 2023

DEPT. OF REAL ESTATE

By _____

6 STATE OF CALIFORNIA

7 DEPARTMENT OF REAL ESTATE

8 To:

9 KILLAM PROPERTIES, INC. and
10 LUIS JESUS ROMERO

No. H-42199-LA

ORDER TO DESIST AND REFRAIN

(B&P Code Section 10086)

11
12 The Commissioner ("Commissioner") of the Department of Real Estate ("Department" or
13 "DRE") of the State of California caused an investigation to be made of the activities of KILLAM
14 PROPERTIES INC. ("KPI") and LUIS JESUS ROMERO ("ROMERO"). Based on that
15 investigation, the Commissioner has determined that KPI and ROMERO, and/or any other
16 fictitious business name used by KPI or ROMERO, or both of them, have engaged in, are engaging
17 in, have attempted to engage in, or are attempting to engage in, acts or practices constituting
18 violations of the California Business and Professions Code ("Code"), including a violation of Code
19 Section 10130 by engaging in the business of, acting in the capacity of, and/or advertising or
20 assuming to act as, a real estate broker within the meaning of Code Section 10131(b) (leasing or
21 renting, or soliciting prospective tenants, or collecting rents on behalf of another or others). In
22 addition, based on that investigation, the Commissioner has determined that KPI and ROMERO
23 have engaged in, are engaging in, and/or are attempting to engage in, acts and/or practices
24 constituting violations of the Code.

25 Based on the findings of that investigation, the Commissioner hereby issues the following
26 Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the authority of Section
27 10086 of the Code.

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1 Whenever acts referred to below are attributed to KPI and/or ROMERO, those acts are
2 alleged to have been done by KPI and/or ROMERO, acting by themselves, or by and/or through one
3 or more agents, associates, affiliates, and/or co-conspirators.

4 FINDINGS OF FACT

5 1. From on or about February 16, 1995, through on or about April 10, 2015, KPI was
6 licensed as a real estate corporation ("REC"), DRE license identification number ("License ID")
7 01193126. KPI was licensed through the real estate broker ("REB") license of Luis Ernesto Romero
8 ("Luis Ernesto"), License ID 00788025, and Luis Ernesto was the designated officer of KPI until
9 April 10, 2015, when the officer license expired. According to Luis Ernesto, KPI was 100% owned
10 by his son, ROMERO. On or about June 10, 2014, the California Secretary of State suspended KPI's
11 powers, rights, and privileges as a corporation. On or about April 11, 2015, KPI's REC license
12 expired and, according to DRE records to date, KPI's REC license has not been renewed. KPI
13 previously maintained the fictitious business name, "Pacifica Realty," with the DRE, however the
14 license for Pacifica Realty expired as of April 11, 2015. On or about October 1, 2015, the California
15 Franchise Tax Board suspended KPI's powers, rights, and privileges. From on or about April 11,
16 2015, to the present, KPI has been unlicensed.

17 2. From on or about October 16, 1998, through on or about October 15, 2002, and from
18 on or about December 20, 2002, through on or about December 19, 2010, ROMERO was licensed
19 as a real estate salesperson ("RES"), License ID 01247117. On or about December 20, 2010,
20 ROMERO's RES license expired and, according to DRE records to date, ROMERO's RES license
21 has not been renewed. From on or about December 20, 2010, to the present, ROMERO has been
22 unlicensed.

23 3. On or about February 24, 2020, the DRE received a complaint from David Eisenman
24 ("Eisenman") alleging that REB Luis Ernesto, through KPI, managed Eisenman's property until
25 October 31, 2019. According to Eisenman, Luis Ernesto continually promised to provide him
26 statements of income and expenses for the months of January through October 2019, but has not
27 provided the statements, and has not provided the IRS form 1099 needed by Eisenman for federal
28 tax filing purposes.

1 4. On or about January 30, 2020, a check was deposited to Eisenman's bank account in
2 the amount of \$10,500, however the check bounced because of insufficient funds ("NSF"). Another
3 deposit was made on or about February 5, 2020, to replace the bounced check. Luis Ernesto did not
4 have accounting records for rents and disbursements in 2019, but according to Luis Ernesto the
5 amount deposited into Eisenman's bank account was the remaining amount representing the security
6 deposits that were held by KPI, which included the NSF fee that was incurred by Eisenman.

7 5. According to Luis Ernesto, Luis Ernesto suffered from health conditions during the
8 time that records were not properly maintained and the property management activities were being
9 handled by Luis Ernesto's son, ROMERO. According to Luis Ernesto, Luis Ernesto started
10 experiencing debilitating health issues (severe back pain and diabetes) in the beginning of 2018 and,
11 in May 2018, Romero had a major back surgery. According to Luis Ernesto, he did not handle any
12 office operations for the next several months and instead relied on his son, ROMERO. According
13 to Luis Ernesto, upon Luis Ernesto's discovery that ROMERO was mishandling trust funds and
14 records, Luis Ernesto terminated ROMERO and forbade him from operating KPI.

15 6. On October 27, 2021, the DRE completed an audit of the books and records of KPI's
16 activities that require a REC license under Code section 10131. The audit examination, LA200103,
17 covered the dates January 1, 2019, to February 28, 2021 ("audit period") and was limited to KPI's
18 property management activities. According to Luis Ernesto, all real estate activities were done
19 through KPI doing business as Pacifica Realty. According to Luis Ernesto, KPI was involved in
20 property management activities during the audit period, managing about 12 properties with 19 units
21 for 11 owners. KPI collected rents, paid expenses, and screened tenants for compensation. During
22 the audit period, there was a total collection of approximately \$479,600.00 in the last 12 months in
23 rents from tenants. KPI charged a management fee of 5% to 8% of rents collected.

24 7. According to Luis Ernesto, KPI maintained one bank account ("BA1") at Citibank
25 ending in account number 0943 to hold and collect trust funds for multiple beneficiaries in
26 connection with its property management activities. The account name is "Killam Properties, Inc.
27 Account," and ROMERO was the sole signatory on the account. KPI also maintained two business
28 bank accounts ("BA2" at Citibank; "BA3" at Wells Fargo Bank) during the audit period. Both BA2

1 and BA3 were in the name of Killam Properties, Inc., and ROMERO was the sole signatory on both
2 accounts.

3 8. KPI was still performing real estate activities as of the audit cutoff date, February 28,
4 2021, even though KPI's REC license had expired on April 10, 2015.


5 CONCLUSIONS OF LAW

6 9. Based on the findings of fact contained in paragraphs 1 through 8 above, KPI and
7 ROMERO violated Code section 10130 by engaging in activities requiring a real estate broker
8 license under Code section 10131, without first obtaining real estate broker licenses from the
9 Department.

10 DESIST AND REFRAIN ORDER

11 Based on the Findings of Fact and Conclusions of Law stated herein, IT IS
12 HEREBY ORDERED THAT KILLAM PROPERTIES INC. and LUIS JESUS ROMERO, while
13 doing business in their names or any fictitious business names, immediately desist and refrain
14 from performing any acts within the State of California for which a real estate license is required,
15 unless they are so licensed.

16 DATED: 7.27.23.

17
18 DOUGLAS R. McCAULEY
19 REAL ESTATE COMMISSIONER
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21 

22 **Notice:** Business and Professions Code Section 10139 provides that "Any person acting as a real
23 estate broker or real estate salesperson without a license or who advertises using words indicating
24 that he or she is a real estate broker without being so licensed shall be guilty of a public offense
25 punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by imprisonment in the
26 county jail for a term not to exceed six months, or by both fine and imprisonment; or if a
27 corporation, be punished by a fine not exceeding sixty thousand dollars (\$60,000)."

28 cc: KILLAM PROPERTIES INC.
LUIS JESUS ROMERO