

FILED

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DEPT. OF REAL ESTATE

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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	No. H-42211 LA
	)	
KRONOVET REALTY CO; and	)	
ROBERT JAY KRONOVET, individually	)	<u>A C C U S A T I O N</u>
and as designated officer of Kronovet	)	
Realty Co.,	)	
	)	
Respondents.	)	

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of California, acting in her official capacity, for cause of Accusation against KRONOVET REALTY CO ("KRC") and ROBERT JAY KRONOVET ("KRONOVET"), individually and as designated officer of Kronovet Realty Co, is informed and alleges as follows:

1.

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

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1 2.

2 All references to the "Code" are to the California Business and Professions  
3 Code, and all references to "Regulations" are to Title 10, Chapter 6, California Code of  
4 Regulations unless otherwise specified.

5  
6 (License History: KRC and KRONOVET)

7 3.

8 a. KRC is presently licensed by the Department Real Estate as a real  
9 estate corporation (license no. 01850839). KRC has been so licensed from on or about  
10 November 6, 2008 through the present. At no time has KRC had a fictitious business name  
11 registered with the Department of Real Estate. From on or about November 6, 2008 through  
12 the present, KRC's designated officer has been KRONOVET. KRONOVET is the president  
13 and sole owner of KRC.

14 b. KRONOVET is presently licensed and/or issued by the Department of Real  
15 Estate as a real estate broker (license no. 01128992). KRONOVET was originally licensed as a  
16 real estate broker on or about August 27, 2004, and has been so licensed since then. Prior to  
17 being licensed as a real estate broker, KRONOVET was licensed as a real estate salesperson.  
18 From on or about November 29, 2005 through the present, KRONOVET's DBA has been  
19 "Kronovet Realty."

20 4.

21 Whenever acts referred to below are attributed to KRC and/or KRONOVET,  
22 those acts are alleged to have been done by KRC and/or KRONOVET, acting by  
23 itself/himself/themselves, or by and/or through one or more agents, associates, affiliates, and/or  
24 co-conspirators.

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1 5.

2 At all times mentioned, in the County of Los Angeles, KRC and KRONOVET  
3 were engaged in the business of a real estate broker conducting licensed activities within the  
4 meaning of Code section 10131(b) (“[l]eases or rents or offers to lease or rent, or places for  
5 rent, or solicits listings of places for rent, or solicits for prospective tenants, or negotiates the  
6 sale, purchase, or exchanges of leases on real property, or on a business opportunity, or collects  
7 rents from real property, or improvements thereon, or from business opportunities”).

8  
9 FIRST CAUSE OF ACTION

10 (Property Management Audit)

11 6.

12 On or about August 24, 2021, the Department of Real Estate completed an audit  
13 examination of the books and records of KRC to determine whether KRC and KRONOVET  
14 handled and accounted for trust funds and conducted their real estate activities in accordance  
15 with the Real Estate Law and Regulations. The audit examination covered a period of time  
16 beginning on October 1, 2019 and ending on February 28, 2021. The audit examination  
17 revealed violations of the Code and the Regulations set forth in the following paragraphs, and  
18 more fully discussed in Audit Report LA200120 and the exhibits and work papers attached to  
19 said audit report.

20  
21 Bank Accounts

22 7.

23 At all times mentioned, in connection with the activities described in Paragraph  
24 5, above, KRC and KRONOVET accepted or received funds including funds in trust (“trust  
25 funds”) from or on behalf of actual or prospective parties, such as owners of real property, and  
26 thereafter made deposits and/or disbursements of such funds. From time to time herein

mentioned, during the audit period, said trust funds were deposited and/or maintained by KRC and KRONOVET in approximately thirty-six (36) single beneficiary bank accounts, of which three (3) bank accounts were examined in the audit and are as follows:

\*\*\*\*\*7530

Boston Private

520 Broadway, Ste. 150

Santa Monica, CA 90401

B/A 1

\*\*\*\*\*1836

Boston Private

520 Broadway, Ste. 150

Santa Monica, CA 90401

B/A 2

\*\*\*\*6085

Boston Private

520 Broadway, Ste. 150

Santa Monica, CA 90401

B/A 3

8.

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

(a) Commingled trust funds by depositing KRC's management fees with trust funds in B/A 3, in violation of Code sections 10145(a) and 10176(e) and Regulations section 2835.

(b) Failed to designate B/A 3, which held trust funds, as a trust account in the name of KRC as trustee, in violation of Code section 10145 and Regulations section 2832.

(c) Failed to maintain a complete and accurate columnar records of all trust funds received and disbursed (control record) for B/A 1 and B/A 2, in violation of Code section 10145 and Regulations section 2831. For example, the records did not reflect the dates that trust funds were received.

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1 (d)(1) Permitted Matthew Solomon and Glenn Edward Solomon, both  
2 unlicensed and unbonded persons, to be authorized signatories on B/A 2, in violation of Code  
3 section 10145 and Regulations section 2834.

4 (d)(2) Permitted Julie Downey, an unlicensed and unbonded person, to be an  
5 authorized signatory on B/A 3, in violation of Code section 10145 and Regulations section  
6 2834.

7 (d)(3) Permitted George Boris Poptsis ("Poptsis") dba "Poptsis Realty" and  
8 "Poptsis Properties," a real estate broker (license no. 00683006), to be an authorized signatory  
9 on B/A 3 without a written agreement, in violation of Code section 10145 and Regulations  
10 section 2834. (Poptsis was a former property manager.)

11 (e) The overall conduct of Respondents KRC and KRONOVET constitute a  
12 failure on Respondent KRONOVET's part, as officer designated by a corporate broker  
13 licensee, to exercise the reasonable supervision and control over the licensed activities of KRC  
14 as required by Code section 10159.2 and Regulations section 2725.

15 9.

16 The conduct of Respondents KRC and KRONOVET described in Paragraph 8,  
17 above, violated the Code and the Regulations as set forth below:

18 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
19 8(a)	Code sections 10145(a) and 10176(e) and Regulations section 2835
20 8(b)	Code section 10145 and Regulations section 2832
21 8(c)	Code section 10145 and Regulations section 2831
22 8(d)	Code section 10145 and Regulations section 2834
23 8(e)	Code section 10159.2 and Regulations section 2725

24 The foregoing violations constitute cause for discipline of the real estate license and license  
25 rights of Respondents KRC and KRONOVET under the provisions of Code sections 10177(d),  
26 10177(g), and 10177(h).

1 SECOND CAUSE OF ACTION

2 (6361 and 6365 West 79th St., Los Angeles, CA 90045)

3 10.

4 Respondents KRC and KRONOVET collected a total of approximately \$9,291  
5 in rent for 6361 and 6365 West 79th St., Los Angeles, CA 90045 for January 2020, February  
6 2020, and March 2020, but failed to pay any of the funds to the owner H. Cohen and/or his  
7 estate. The \$9,291 consists of the following:

8

	January 2020	February 2020	March 2020	Total
9 6361 West 70th St.	\$922	\$922	\$922	\$2,766
10 6365 West 79th St.	\$2,175	\$2,175	\$2,175	\$6,525

11 11.

12 The conduct, acts, and/or omissions of Respondents KRC and KRONOVET, as  
13 described in Paragraph 10, above, constitute making substantial misrepresentations, negligence,  
14 and/or fraud and/or dishonest dealing, and are cause for the suspension or revocation of all real  
15 estate licenses and license rights of Respondent under the provisions of Code sections  
16 10176(a), 10176(i), 10177(d), and 10177(g) and/or 10177(j).

17  
18 (COSTS)

19 12.

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

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

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against the license and license rights of KRONOVET REALTY CO and ROBERT JAY KRONOVET under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code), for the cost of investigation and enforcement pursuant to Code section 10106 and as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law, including costs of audit pursuant to Code section 10148(b).

Dated at San Diego, California: February 10, 2022.

*Veronica Kilpatrick*

Veronica Kilpatrick  
Supervising Special Investigator

cc: Kronovet Realty Co  
Robert Jay Kronovet  
Veronica Kilpatrick  
Sacto  
Enforcement  
Audits – Kaori Kuboniwa