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FILED

APR 12 2022

DEPT. OF REAL ESTATE

By *[Signature]*

9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of) No. H-42223 LA
13)
14 ADVANTAGE REAL ESTATE &) ACCUSATION
15 MANAGEMENT SERVICES INC, and)
16 RONALD B LONDON, individually and as)
17 designated officer of Advantage Real Estate &)
18 Management Services Inc,)
19 Respondents.)
20)
21)
22)
23)
24)
25)
26)
27)

28 The Complainant, Maria Suarez, a Supervising Special Investigator of the State
29 of California, for cause of Accusation against ADVANTAGE REAL ESTATE &
30 MANAGEMENT SERVICES INC and RONALD B LONDON (collectively "Respondents")
31 alleges as follows:

32 1.

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

35 2.

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

ACCUSATION

LICENSE HISTORY

3.

(ADVANTAGE REAL ESTATE & MANAGEMENT SERVICES INC)

(a) Respondent ADVANTAGE REAL ESTATE & MANAGEMENT SERVICES INC (“AREMSI”) is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code, as a real estate corporation (“REC”), Department of Real Estate (“Department”) license ID 01935233.

(b) The Department originally issued AREMSI’s corporate license on June 12, 2013. AREMSI’s license is scheduled to expire on June 11, 2025, unless renewed.

(c) According to the Department’s records to date, AREMSI employs one (1) salesperson.

(d) According to the Department’s records to date, AREMSI’s office is located at 7730 ½ Burnet Avenue, Van Nuys, CA 91405.

4.

(RONALD B LONDON)

(a) Respondent RONALD B LONDON (“LONDON”) is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code, as a real estate broker (“REB”), Department license ID 00862420.

(b) The Department originally issued LONDON’s REB license on or about April 6, 2000.

(c) LONDON’s license is scheduled to expire on April 5, 2024, unless renewed.

(d) According to the Department’s records, LONDON has been the designated officer of AREMSI since June 12, 2013 and is currently AREMSI’s designated officer.

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1 (e) On May 3, 2013, the Department issued Respondent a Mortgage Loan
2 Originator (“MLO”) license endorsement, National Mortgage Licensing System and Registry
3 (“NMLS”) No. 350894. Respondent’s MLO license endorsement is scheduled to expire in or
4 about 2022.

5 LICENSED ACTIVITIES

6 5.

7 At all times relevant herein Respondents were engaged in the business of, acted
8 in the capacity of, advertised or assumed to act as a real estate corporation, within the meaning
9 of Section 10131(a) and (b) of the Code. Respondents’ activities included the leasing or renting
10 of real property and the collection of rents and security deposits for real property on behalf of
11 others for compensation or in expectation of compensation. Respondents’ activities also
12 included purchase and sale of real property on behalf of others for compensation or in
13 expectation of compensation.

14 (AUDIT LA200151)

15 6.

16 On or about December 31, 2021, the Department completed an audit
17 examination of the books and records of AREMSI pertaining to the mortgage loan activities
18 described in Paragraph 5 above. The audit examination covered the period of time from January
19 1, 2020 through April 30, 2021 (“audit period”). The primary purpose of the examination was
20 to determine whether Respondents conducted real estate activities complied with the Real
21 Estate Law. The audit examination revealed violations of the Code and the Regulations as set
22 forth in the following paragraphs, and more fully discussed in Audit No. LA200151, and the
23 exhibits and work papers attached to said audit report.

24 7.

25 At all times mentioned herein, and in connection with the property management
26 activities described in Paragraph 5, above, Respondents accepted or received funds, including
27 funds in trust (“trust funds”) from or on behalf of actual or prospective parties to transactions

1 handled by Respondents and thereafter made deposits and/or disbursements of such funds.

2 According to the documents provided, Respondents maintained four (4) trust/bank accounts for
3 handling of the receipts and disbursements of funds during the audit period in connection with
4 the property management activities. The bank accounts are as follows:

5 Trust Account 1 ("TA 1")

6 Bank: JP Morgan Chase Bank

7 Account Name: Advantage Real Estate & Management DBA Advantage Realty Brokers
8 Trust Account SD

9 Account Number: xxxxxxxx3917

10 Signatories: Ronald B London; Mazal Bidani London (LONDON's wife, unlicensed)

11 Signatures Required: One

12 Purpose: TA 1 was maintained as a depository for security deposits from tenants
13 and to handle trust funds in the property management activities for multiple beneficiaries.

14 Trust Account 2 ("TA 2")

15 Bank: JP Morgan Chase Bank

16 Account Name: Advantage Real Estate & Management DBA Advantage Realty Brokers
17 Trust Account

18 Account Number: xxxxxxxx3925

19 Signatories: Ronald B London; Mazal Bidani London (LONDON's wife, unlicensed)

20 Signatures Required: One

21 Purpose: TA 2 was maintained as a depository for rents from tenants and to handle
22 trust funds in the property management activities for multiple beneficiaries.

23 Bank Account 1 ("BA 1")

24 Bank: JP Morgan Chase Bank

25 Account Name: Advantage Real Estate & Management DBA Advantage Realty Playa
26 Vista Terrace Account

27 Account Number: xxxxxxxx3300

1 Signatories: Ronald B London; Mazal Bidani London (LONDON's wife, unlicensed)

2 Signatures Required: One

3 Purpose: BA 1 was maintained as a depository for rents from tenants and to handle
4 trust funds in the property management activities for a single beneficiary, Playa Vista Terrace.

5 Bank Account 2 ("BA 2")

6 Bank: JP Morgan Chase Bank

7 Account Name: Advantage Real Estate & Management DBA Advantage Realty Playa
8 Vista Terrace Account

9 Account Number: xxxxxxxx9500

10 Signatories: Ronald B London; Mazal Bidani London (LONDON's wife, unlicensed)

11 Signatures Required: One

12 Purpose: BA 2 was maintained as a depository for security deposits from tenants
13 and to handle trust funds in the property management activities for a single beneficiary, Playa
14 Vista Terrace.

15 Violations of the Real Estate Law

16 8.

17 The audit examination revealed violations of the Code and the Regulations, as
18 set forth in the following paragraphs, and more fully discussed in Audit Report No. LA200151,
19 and the exhibits and work papers attached to the audit report:

20 (a) **Trust Fund Handling For Multiple Beneficiaries (Code section 10145**
21 **and Regulations sections 2832.1)**. Based on an examination of TA 1's records, there was a
22 combined minimum trust fund shortage of \$18,431.69 (\$3,500.00 minimum negative property
23 balances and \$14,931.69 minimum unidentified shortage) as of April 30, 2021 in violation of
24 Code section 10145 and Regulations sections 2832.1. There is no evidence that Respondents
25 were given written consent from the owners of the trust funds to allow Respondents to reduce
26 the balance of the funds in TA 1 to an amount less than the aggregate trust fund liabilities to all
27 owners of the trust funds.

1 **(b) Trust Fund Records to be Maintained (Code section 10145 and**
2 **Regulations sections 2831)**. Based on an examination of TA 2's records, Respondents failed to
3 maintain complete and accurate columnar record for all trust funds received and disbursed
4 (control record) for TA 2, which was used for Respondent's property management activities
5 during the audit period in violation of Code section 10145 and Regulations sections 2831.
6 Respondents' poor record keeping led to a minimum unidentified/unaccounted funds of
7 \$58,566.96 as of April 30, 2021.

8 Based on an examination of BA 1's records, Respondents failed to maintain
9 complete and accurate columnar record for all trust funds received and disbursed (control
10 record) for BA 1, which was used for Respondent's property management activities during the
11 audit period in violation of Code section 10145 and Regulations sections 2831. Respondents'
12 poor record keeping led to a minimum unidentified/unaccounted funds of \$11,178.03 as of
13 April 30, 2021.

14 **(c) Separate Records for Each Beneficiary (Code section 10145 and**
15 **Regulations sections 2831.1)**. Respondents failed to maintain complete and accurate separate
16 records for each beneficiary or transaction of all trust fund receipts and disbursements for TA 1
17 in connection with Respondents' property management activities during the audit period in
18 violation of Code section 10145 and Regulations section 2831.1. The separate record did not
19 reflect accurate month end balances.

20 Respondents failed to maintain complete and accurate separate records for each
21 beneficiary or transaction of all trust fund receipts and disbursements for TA 2 in connection
22 with Respondents' property management activities during the audit period in violation of Code
23 section 10145 and Regulations section 2831.1. The separate record did not reflect accurate
24 month end balances leading to a minimum unidentified/unaccounted funds of \$58,566.96 as of
25 April 30, 2021.

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1 (d) **Trust Account Reconciliation (Code section 10145 and Regulations**
2 **section 2831.2)**. Based on an examination of TA 1 records, Respondents failed to accurately
3 perform monthly reconciliation for TA 1 during the audit period Code section 10145 and
4 Regulations section 2831.2. Respondents' trust account reconciliation record for April 30, 2021
5 did not show any discrepancy, but the Department discovered a minimum shortage of
6 \$18,431.69 as of April 30, 2021.

7 Based on an examination of TA 2 records, Respondents failed to accurately
8 perform monthly reconciliation for TA 2 during the audit period in violation of Code section
9 10145 and Regulations section 2831.2.

10 (e) **Responsibility of Corporate Office in Charge/Broker Supervision (Code**
11 **sections 10159.2 and 10177(h) and Regulations section 2725)**. Based on the violations in
12 Paragraphs 8 (a)-(d) above, Respondent LONDON failed to exercise adequate supervision and
13 control over AREMSI's property management activities in violation of Code section 10159.2.
14 Respondent LONDON failed to provide established policies, rules, procedures, and systems to
15 review, oversee, inspect, and manage transactions requiring a real estate license and the
16 handling of trust funds in violation of Regulations section 2725.

17 **Additional Violations of the Real Estate Law**

18 9.

19 The overall conduct of Respondents violates the Real Estate Law and constitutes
20 cause for the suspension or revocation of their real estate license and license rights under the
21 provisions of **Code Section 10177(g)** for negligence and **Code Section 10177(d)** for willful
22 disregard of the Real Estate Law.

23 10.

24 Each of the foregoing violations in Paragraphs 8 (a)-(e) above constitute cause
25 for the suspension or revocation of the real estate license and/or license rights of Respondents
26 under the provisions of Code sections 10177(d), 10177(g), and 10177(h) (as to LONDON).

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1 COSTS

2 (AUDIT COSTS)

3 11.

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

9 (INVESTIGATION AND ENFORCEMENT COSTS)

10 12.

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

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1 P R A Y E R

2 WHEREFORE, Complainant prays that a hearing be conducted on the
3 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
4 disciplinary action against all licenses and/or license rights under the Real Estate Law (Part 1 of
5 Division 4 of the California Business and Professions Code) of Respondent ADVANTAGE
6 REAL ESTATE & MANAGEMENT SERVICES INC and RONALD B LONDON, for the cost
7 of investigation and enforcement as permitted by law, and for such other and further relief as
8 may be proper under applicable provisions of law.

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10 Dated at Los Angeles, California this 11th day of April, 2022.

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13 
14 Maria Suarez
Supervising Special Investigator

15 cc: ADVANTAGE REAL ESTATE & MANAGEMENT SERVICES INC
16 RONALD B LONDON
17 Maria Suarez
18 Sacto.
Audits – Godswill Keraoru