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DEPT. OF REAL ESTATE

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DEPARTMENT OF REAL ESTATE

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

STATE OF CALIFORNIA

IN THE MATTER OF THE ACCUSATION AGAINST

Case No.: H-43168 LA

GLENIS L. CARDONA, doing business as Golden
Escrow – a Non-Independent Broker Escrow, and
Cardona Investments a Real Estate Co.,

ACCUSATION

Respondent.

The Complainant, Ray Dagnino, a Supervising Special Investigator for the Department of Real Estate (“Department”) of the State of California, for cause of Accusation against GLENIS L. CARDONA (“Respondent”), doing business as Golden Escrow – a Non-Independent Broker Escrow, and Cardona Investments a Real Estate Co., alleges as follows:

1. The Complainant, Ray Dagnino, acting in his official capacity as a Supervising Special Investigator, makes this Accusation against Respondents.

2. Unless otherwise noted, all references to the “Code” are to the California Business and Professions Code, all references to the “Real Estate Law” are to Part 1 of Division 4 of the Code, and all references to “Regulations” are to the Regulations of the Real Estate Commissioner, Title 10, Chapter 6, California Code of Regulations.

1 STATEMENT OF FACTS

2 Licenses

3 3. Respondent is presently licensed and/or has license rights under the Real Estate
4 Law (Part 1 of Division 4 of the Code).

5 4. On September 21, 2001, the Department issued a real estate broker license to
6 Respondent GLENIS L. CARDONA, License ID 01243341. Unless renewed, Respondent's
7 license expires on October 26, 2029. Respondent has renewal rights pursuant to Code section
8 10201. The Department retains jurisdiction pursuant to Code section 10103.

9 5. Respondent is licensed to do business as "Golden Escrow – A Non-Independent
10 Broker Escrow" and "Cardona Investments A Real Estate Co."

11 6. Respondent was formerly licensed as a real estate salesperson from approximately
12 September 8, 1998, through September 20, 2001.

13 7. Debbie Leary has never been licensed in any capacity by the Department.

14 8. Augusto M. Mercado has never been licensed in any capacity by the Department.

15 Prior Discipline

16 H-32388 LA

17 9. On January 12, 2006, an Accusation was filed against Respondent and Lesvia
18 Patricia Portillo in Department Case No. H-32388 LA. Said Accusation alleged that Respondent
19 violated Code section 10176, subdivision (i), or Code section 10177, subdivision (g).

20 10. On or about January 12, 2007, Respondent and the Department entered into a
21 Stipulation and Agreement ("stipulation") for Case No. H-32388 LA. Pursuant to the stipulation,
22 a determination was made that Respondent's conduct, acts, and/or omissions constituted cause to
23 discipline Respondent's real estate broker license pursuant to Code section 10177, subdivision
24 (g). Respondent's real estate broker license was suspended for a 30-day suspension. Said

1 suspension was stayed under certain terms and conditions for a one-year period. The stipulation
2 became effective on February 1, 2007.

3 H-42207 LA

4 11. On April 4, 2022, an Order to Desist and Refrain ("D&R") was filed against the
5 Respondent in Department Case No. H-42207 LA.

6 12. The D&R alleged that Respondent had violated the exemption for real estate
7 brokers performing in-house escrows for their own brokered sales and loans pursuant to
8 California Financial Code section 17006(a)(4), by conducting third-party escrow services for two
9 separate real estate transactions. Said escrow services were not conducted incidental to real
10 estate transactions where Respondent was a party or agent and where Respondent was
11 performing acts for which a real estate license was required. The D&R was effective March 4,
12 2022, and was served to Respondent by mail on or about April 13, 2022.

13 Escrow Activity

14 13. Whenever reference is made in an allegation in this Accusation to an act or
15 omission of Respondent, such allegation shall be deemed to mean that the officers, directors,
16 employees, agents and/or real estate licensees employed by or associated with Respondent,
17 committed such act or omission while engaged in the furtherance of the business or operations
18 of Respondent and while acting within the course and scope of their authority and employment.

19 14. In the preceding three-year period, the Department received multiple complaints
20 against Respondent from parties who alleged that Respondent had misappropriated escrow (trust)
21 funds owed to others. The escrows include, but are not limited to, the escrow transactions listed
22 below.

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1 Escrow 10356-GC (1345 W. 37th Dr. property)

2 15. Respondent, while doing business as Golden Escrow, handled an escrow
3 transaction no. 10356-GC for a property located at: 1345 W. 37th Drive, Los Angeles, California
4 90007 (“W. 37th Dr. property”), for sellers F.R.F., Jr.¹ and R.F., and buyers, J.M. and E.M.

5 16. Escrow closed on or about February 13, 2024. The Respondent charged an escrow
6 fee of approximately \$3,831.00.

7 17. The sellers allege that Respondent failed to deliver the sellers’ proceeds of
8 \$724,182.90 to the designated “1031 exchange account” after the close of escrow. The sellers
9 also claim that they did not receive any closing documentation from the Respondent and that
10 Respondent stopped communicating with the sellers.

11 Escrow 10372-GC (1945 Holly Dr. property)

12 18. Respondent, while doing business as Golden Escrow, handled an escrow
13 transaction no. 10372-GC for a property located at: 1945 Holly Drive, Los Angeles, California
14 90068 (“Holly Dr. property”), for seller H.P.W., and buyer, E.E.M.

15 19. Escrow closed on or about August 18, 2023. The Respondent charged an escrow
16 fee of approximately \$7,860.00.

17 20. According to the seller, \$515,688.17 in proceeds from the sale of the Holly Drive
18 property was due to the seller. The Respondent only paid the seller \$316,988.17 and still owes
19 the seller \$200,000.00.

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23 ¹ Initials are used in place of individuals’ full names to protect their privacy. Documents containing individuals’ full
24 names will be provided during the discovery phase of this case to Respondent(s) and/or their attorneys, after service
of a timely and proper request for discovery on Complainant’s counsel.

1 Escrow 10423-GC (6227 Willowcrest Ave. property)

2 21. Respondent, while doing business as Golden Escrow, handled an escrow
3 transaction no. 10423-GC for a property located at: 6227 Willowcrest Avenue, North
4 Hollywood, California 91606 (“Willowcrest Ave. property”), for borrower, Y.R.

5 22. Escrow closed on or about August 18, 2023. The Respondent charged an escrow
6 fee of approximately \$1,000.

7 23. A.D.D., the mortgage broker who arranged the loan for a private investor alleged
8 that the Respondent failed to pay fees/commission of \$14,000.00 due to the broker and
9 erroneously recorded the deed of trust.

10 First Cause of Accusation - Audit LA 230076

11 24. The Department attempted to conduct an audit of Respondent’s escrow activities
12 to determine if Respondent handled and accounted for trust funds in compliance with the Real
13 Estate Law and the Regulations. On or about May 2, 2025, the Department completed an audit
14 report concerning the Department’s attempt to conduct an audit examination of the books and
15 records of Respondent’s escrow activities.

16 25. The audit examination covered the period from April 1, 2023, through June 30,
17 2024, (“audit period”).

18 26. The Respondent failed to meet with the Department’s auditor and the Respondent
19 failed to produce the records requested by the Department for the audit examination.

20 27. The Department’s auditor reviewed documents obtained through a subpoena for
21 records from Bank of America for a bank account used by Respondent for escrow activities
22 during the audit period and records obtained through third parties who complained about
23 Respondent’s escrow activities to the Department.

1 28. The Respondent used the bank account described below to conduct escrow
2 activities during the audit period:

3 Bank Account 1 (B/A 1)

4 Bank: Bank of America

5 Account #: xxxx3352

6 Account Name: Glenis Cardona Sole Prop – DBA Golden Escrow-A Non-Independent
7 Broker Escrow

8 Signatories: Glenis L. Cardona, Debbie Leary (Non-Licensee), and
9 Augusto Mercado (Non-Licensee)

10 Signatures required: One

11 Purpose: B/A 1 was used for handling escrow receipts and disbursements of trust funds
12 for multiple beneficiaries in connection with Respondent's escrow activities.

13 29. Based on a review of the bank statements for B/A 1, the Respondent closed
14 approximately 34 escrows and collected approximately \$13,000,000 in escrow funds during the
15 audit period.

16 30. The audit examination revealed violations of the Code and the Regulations as set
17 forth in the following paragraphs, and more fully discussed in Audit Report LA 230076 and the
18 exhibits and work papers attached to said audit report.

19 Audit Violations

20 31. In the course of its escrow activities during the audit period, Respondents acted in
21 violation of the Code and the Regulations as follows:

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Code section 10145 and Regulations 2832.1, 2950, subdivisions (d) and (g), and 2951. Trust fund handling for multiple beneficiaries

32. A bank reconciliation was prepared for B/A 1 with a cut-off date of June 30, 2024. Respondent's separate records and control record for B/A 1 were not provided for the audit examination. The Department's auditor prepared a schedule of trust funds deposited into B/A 1 and disbursed from B/A 1, based on the bank statements for B/A 1 obtained from Bank of America.

33. The accountability had to be based on limited bank statements from April 28, 2023, to June 30, 2024, and documents submitted to the Department for Escrow Nos. 10356-GC, 10372-GC, and 10423-GC. The minimum adjusted bank balance for B/A 1 was then compared to the minimum accountability for B/A 1.

34. As of June 30, 2024, the minimum adjusted bank balance for B/A 1 was \$6,398.00. As of June 30, 2024, the minimum accountability was \$1,038,762.42. As of June 30, 2023, there was a minimum trust fund shortage of <\$1,032,364.19> in B/A 1. Respondent failed to provide any evidence that the owners of the trust funds had given their written consent to allow Respondent to reduce the balances of the funds in the trust fund account B/A 1 to an amount less than the existing aggregate trust fund liabilities, in violation of Code section 10145 and Regulations 2832.1, 2950, subdivisions (d) and (g), and 2951.

35. The shortage in B/A 1 was due to the following:

<u>Note#</u>	<u>Cause</u>	<u>Amount</u>
	Minimum Bank Charges	<\$3,850.00>
1	Unauthorized Disbursements/Conversion of funds on 02/14/2024, not related to any escrow	<\$280,796.13>
2	Minimum unauthorized disbursements in the form of ACH transfers for the period from 08/15/2023 through 01/05/2024	<\$43,716.79>

<u>Note#</u>	<u>Cause</u>	<u>Amount</u>
3	Minimum unauthorized disbursements for payment of personal expenses made from B/A 1 from credit card ending in 1172 between April 2023 through June 2024	<\$7,086.06>
4	Minimum unauthorized disbursements for payment of personal expenses made from B/A 1 from credit card ending in 7406 between April 2023 through June 2024	<\$40,683.70>
5	Minimum unauthorized disbursements of \$4,000 and \$6,000 to Wells Fargo Bank, na. BNF: Justin Busby under Escrow No. 10372-GC	<\$10,000.00>
6	Minimum unauthorized disbursement of \$64,386.00 to Wells Fargo Bank, na. BNF:KPMU Services under Escrow No. 10372-GC	<\$64,386.00>
7	Minimum unauthorized disbursement of \$165,000.00 to Premier America Credit Union, BNF: Wardour Studios, Inc., under Escrow No. 10356-GC	<\$165,000.00>
8	Minimum unidentified trust fund shortage in B/A 1 of \$416,845.51, as of June 30, 2024. The Department's auditor could not identify the minimum trust fund shortage of \$416,845.51 due to Respondent's failure to provide trust fund records for B/A 1 for examination.	<\$416,845.51>

Code section 10145(a), Code section 10176(i), Regulations 2950(g) and 2951. Trust fund handling/Unauthorized Disbursements/Conversion of Trust Funds

36. During the audit period, the Respondent made unauthorized disbursements and converted trust funds from B/A 1, in violation of Code section 10145, subdivision (a), Code section 10176, subdivision (i), Regulation 2950, subdivision (g), and Regulation 2951.

37. The unauthorized disbursements and conversion of trust funds include the following, without limitation:

<u>Note#</u>	<u>Cause</u>	<u>Amount</u>
1	Unauthorized Disbursements/Conversion of funds on 02/14/2024, not related to any escrow	<\$280,796.13>

1	2	Minimum unauthorized disbursements in the form of ACH transfers for the period from 08/15/2023 through 01/05/2024	<\$43,716.79>
2	<u>Note#</u>	<u>Cause</u>	<u>Amount</u>
3	3	Minimum unauthorized disbursements for payment of personal expenses made from B/A 1 from credit card ending in 1172 between April 2023 through June 2024	<\$7,086.06>
4	4	Minimum unauthorized disbursements for payment of personal expenses made from B/A 1 from credit card ending in 7406 between April 2023 through June 2024	<\$40,683.70>
5	5	Minimum unauthorized disbursements of \$4,000 and \$6,000 to Wells Fargo Bank, na. BNF: Justin Busby under Escrow No. 10372-GC	<\$10,000.00>
6	6	Minimum unauthorized disbursement of \$64,386.00 to Wells Fargo Bank, na. BNF:KPMU Services under Escrow No. 10372-GC	<\$64,386.00>
7	7	Minimum unauthorized disbursement of \$165,000.00 to Premier America Credit Union, BNF: Wardour Studios, Inc., under Escrow No. 10356-GC	<\$165,000.00>
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Code section 10145 and Regulations 2832 and 2951. Trust fund handling/Trust Account

Designation

38. Based on an examination of the bank signature cards for B/A 1, the account was used for handling of trust fund receipts and disbursements in connection with Respondent's escrow activities and the account was not set up as a trust account, in violation of Code section 10145 and Regulations 2832 and 2951.

Code section 10145 and Regulations 2834 and 2951. Trust fund handling/Trust Account

Withdrawals

39. Based on an examination of the bank records for B/A 1, the Respondent allowed non-licensees Debbie Leary and Augusto M. Mercado, who were not covered by a fidelity bond or insurance during the audit period, to be signers on account B/A 1, in violation of Code section 10145 and Regulations 2834 and 2951.

Code section 10086(a), Financial Code section 17006(a)(4), Exemption from Escrow

Law/Third Party Escrow/Engaging in prohibited activity

40. The Respondent is not licensed by the California Department of Financial Protection and Innovation ("DFPI").

41. At all times relevant herein, in the State of California, Respondent engaged in the business of, or assumed to act as a real estate broker, and conducted broker-controlled escrow activities presumably under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction where the broker is an agent or a party to the transaction and in which the broker is performing acts for which a real estate license is required.

42. During the audit period, the Respondent performed third party escrows for transactions in which the Respondent was not involved as either the listing or selling broker, or an agent or party to the transactions, in violation of Code section 10086, subdivision (a), and Financial Code section 17006, subdivision (a)(4).

43. The third-party escrow services include, but are not limited to the following escrows:

<u>Escrow No.</u>	<u>Seller</u>	<u>Sales Price</u>	<u>Date Escrow Closed</u>
10356-GC	F.R.F, Jr.	\$775,000.00	02/13/2024
10372-GC	H.P.W.	\$1,500,000.00	08/18/2023
10423-GC	Unknown	\$540,000.00	12/29/2023

Regulation 2950(b). Failure to let principal initial/sign escrow instructions/Sales Escrow

Instructions

44. Based on an examination of documents for Escrow No. 10372-GC, escrow instructions, supplemental escrow instructions, and/or amendments to escrow instructions were

not signed by all principals and the seller was not provided with signed supplemental escrow instructions and amendments to escrow instructions, in violation of Regulation 2950, subdivision (b).

Code section 10148 and Regulations 2950(e) and 2951.

45. The Respondent failed to maintain and provide all requested records, accounts, files, and papers relating to Respondent's escrow services during the audit period for the audit examination, in violation of Code section 10148 and Regulations 2950, subdivision (e), and 2951.

Regulation 2725. Broker supervision.

46. Based on the violations stated above, Respondent failed to adequately supervise and control the the escrow activities of Golden Escrow, conducted by Respondent's escrow officers, independent contractors, employees, or agents and failed to establish policies, rules, procedures, and systems to review, oversee, inspect, and manage the handling of trust funds and escrow services to ensure compliance with the Real Estate Law and Regulations, in violation of Regulation 2725.

47. The conduct of Respondent, as described above in Paragraphs 32 through 46, violated the Code and the Regulations as set forth below:

Paragraph(s) Violations

32-35	Code section 10145, Regulations 2832.1, 2950(d), 2950(g), and 2951
36-37	Code sections 10145(a), 10176(i), Regulations 2950(g), and 2951
38	Code section 10145, Regulations 2832, and 2951
39	Code section 10145, Regulations 2834 and 2951
40-43	Code section 10086(a) and Financial Code section 17006(a)(4)

Paragraph(s) Violations

44 Regulation 2950 (b)

45 Code section 10148, Regulations 2950(e) and 2951

46 Regulation 2725

48. The foregoing violations, as described above in Paragraphs 32 through 46, constitute cause for the suspension or revocation of the real estate licenses and license rights of Respondent under the provisions of Code section 10176, subdivision(i), or Code section 10177, subdivision(j), Code section 10086, subdivision (a), Financial Code section 17006, subdivision (a)(4), and Code section 10177, subdivisions (d) and/or (g).

Second Cause of Accusation

49. There is hereby incorporated in this Second, separate and distinct Cause of Accusation, all of the allegations contained in Paragraphs 1 through 48, with the same force and effect as if herein fully set forth.

Escrow 10356-GC (1345 W. 37th Dr. property)

50. According to the sellers, Respondent stopped communicating with the sellers and failed to deliver the proceeds owed to the sellers totaling \$724,182.90 after the close of escrow.

Escrow 10372-GC (1945 Holly Dr. property)

51. According to the seller, the Respondent still owes the seller \$200,000.00 after the close of escrow.

Escrow 10423-GC (6227 Willowcrest Ave. property)

52. According to the broker for the lender, the Respondent failed to pay fees/commission of \$14,000.00 due to the broker and erroneously recorded the deed of trust.

53. The foregoing conduct, acts, and/or omissions by Respondent, as described above in Paragraphs 14 through 23 and 50 through 52, constitutes cause for the suspension or

1 revocation of the real estate licenses and license rights of Respondent pursuant to Code section
2 10176, subdivision (i), or Code section 10177, subdivision (j).

3 Audit Costs

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

8 Investigation/Enforcement Costs

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

14 Dated: Nov 6, 2025


RAY DAGNINO
Supervising Special Investigator

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17 cc: Glenis L. Cardona
18 Ray Dagnino
19 Sacto.
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