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DEPT. OF REAL ESTATE

By 

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation against) No. H-43207 LA
DLT LEGENDS REALTY, INC.)
and)
ROBERT D BOLENDER, III,)
Respondents.)

ACCUSATION

The Complainant, Ray Dagnino acting in his official capacity as a Supervising Special Investigator of the State of California, for cause of Accusation against DLT LEGENDS REALTY, INC. (DLRI) and ROBERT D BOLENDER, III (BOLENDER) (collectively, "Respondents"), is informed and alleges as follows:

1.

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

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DEPARTMENT OF REAL ESTATE LICENSE HISTORY

2.

DLT LEGENDS REALTY, INC.

According to Department of Real Estate (DRE) records to date and publicly accessible online (https://www2.dre.ca.gov/PublicASP/pplinfo.asp?License_id=01525791), DLT LEGENDS REALTY, INC. is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as a real estate corporation (broker) (REC), DRE license ID 01525791.

3.

According to DRE records to date and publicly accessible online as described in Paragraph 2: DLRI was originally licensed on or about August 10, 2011; its mailing and main address of record are the same: 15073 Imperial Hwy, La Mirada, California 90638 (La Mirada address); and it currently has affiliated with its license twenty (20) real estate salespersons (RES) and two (2) DBAs, Legends Property Management and Legends Realty, both active as of March 4, 2020.

4.

According to DRE records to date and publicly accessible online as described in Paragraph 2, DLRI does not have any branch offices or broker associates affiliated with its license, and ROBERT D BOLENDER, III is its current designated officer (D.O.) until his affiliation expires on February 2, 2028. According to said records, John-Michael Mendoza was DLRI's immediate past designated officer whose affiliation expired as of February 3, 2024.

5.

According to DRE records to date and publicly accessible online as described in Paragraph 2, DLRI's DRE license will expire on February 2, 2028. Upon license expiration

1 and pursuant to Code Section 10201, DLRI will retain renewal rights, and pursuant to Code
2 Section 10103, the DRE will retain jurisdiction.

3 6.

4 According to DRE records to date and publicly accessible online as described
5 in Paragraph 2, DLRI's DRE license has a history of discipline including a stayed 30-day
6 suspension on or about March 25, 2026 in Case H-39799 LA pursuant to Code Sections
7 10177(d) and 10177(g) for its violation of Code Section 10145, and a stayed 60-day
8 suspension on or about April 12, 2021 in Case H-41488 LA pursuant to Code Sections
9 10177(d) and 10177(g) for its violation of Code Section 10145 and Regulations 2831, 2831.1,
10 and 2832.1.

11 7.

12 ROBERT D BOLENDER, III

13 According to Department of Real Estate (DRE) records to date and publicly
14 accessible online (https://www2.dre.ca.gov/publicasp/pplinfo.asp?License_id=01488286),
15 ROBERT D BOLENDER, III is presently licensed and/or has license rights under the Real
16 Estate Law (Part 1 of Division 4 of the Code) as a real estate broker (REB), DRE license ID
17 01488286.

18 8.

19 According to DRE records to date and publicly accessible online as described
20 in Paragraph 7: BOLENDER f.k.a. Robert D Bolender, was originally licensed on or about
21 April 6, 2005 as a RES and on or about June 13, 2017 as a REB; his mailing and main address
22 of record are the same La Mirada address as that of DLRI; and he currently has affiliated with
23 his license one (1) RES.

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1 9.

2 According to DRE records to date and publicly accessible online as described
3 in Paragraph 7, BOLENDER does not have any branch offices or DBAs affiliated with his
4 license, and he was a broker associate for DLRI from February 3, 2020 to January 11, 2023.

5 10.

6 According to DRE records to date and publicly accessible online as described
7 in Paragraph 7, BOLENDER is currently the D.O. for DLRI until his officer affiliation expires
8 on February 2, 2028.

9 11.

10 According to DRE records to date and publicly accessible online as described
11 in Paragraph 7, BOLENDER's DRE license will expire on June 12, 2029. Upon license
12 expiration and pursuant to Code Section 10201, BOLENDER will retain renewal rights, and
13 pursuant to Code Section 10103, the DRE will retain jurisdiction.

14 12.

15 John-Michael Mendoza

16 According to Department of Real Estate (DRE) records to date and publicly
17 accessible online (https://www2.dre.ca.gov/publicasp/pplinfo.asp?License_id=01359491),
18 John-Michael Mendoza was licensed and/or had license rights under the Real Estate Law (Part
19 1 of Division 4 of the Code) as a REB, DRE license ID 01359491

20 13.

21 According to DRE records to date and publicly accessible online as described
22 in Paragraph 12: Mendoza was originally licensed on or about November 21, 2002 as a RES
23 and on or about September 18, 2007 as a REB.

24 14.

25 According to DRE records to date and publicly accessible online as described

1 in Paragraph 12, Mendoza was the D.O. for DLRI until his officer affiliation expiration date of
2 February 3, 2024.

3 15.

4 According to records obtained during DRE Audit LA23009, Mendoza passed
5 away on December 5, 2022.

6 16.

7 RESPONDENTS' REAL ESTATE ACTIVITIES

8 At all times mentioned, in the State of California, DLRI conducted licensed
9 activities within the meaning of Code Section 10131¹, which require a real estate license,
10 including, but not limited to activities performed by affiliated REB, RES, and non-RES
11 employees and agents.

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19 ¹ Pursuant to Code Section 10131 Broker Defined, “A real estate broker within this meaning of this part is a
20 person who, for a compensation or in expectation of a compensation, regardless of the form or time of payment,
21 does or negotiates to do one or more of the following acts for another or others: (a) Sells or offers to sell, buys or
22 offers to buy, solicits prospective sellers or purchasers of, solicits or obtains listings of, or negotiates the
23 purchase, sale or exchange of real property or a business opportunity. (b) Leases or rents or offers to lease or rent,
24 or places for rent, or solicits listings of places for rent, or solicits for prospective tenants, or negotiates the sale,
25 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. (c) Assists or offers to assist in filing an
application for the purchase or lease of, or in locating or entering upon, lands owned by the state or federal
government. (d) Solicits borrowers or lenders for or negotiates loans or collects payments or performs services for
borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real
property or on a business opportunity. (e) Sells or offers to sell, buys or offers to buy, or exchanges or offers to
exchange a real property sales contract, or a promissory note secured directly or collaterally by a lien on real
property or on a business opportunity, and performs services for the holders thereof.”

APPLICABLE SECTIONS OF THE REAL ESTATE LAW

Trust Fund Handling

(Code Section 10145 and Regulations: 2831; 2831.1; 2831.2; 2832.1, 2834 and 2835)

17.

Pursuant to Code Section 10145 *Handling of Trust Funds* (selected portions):

“(a)(1): A real estate broker who accepts funds belonging to others in connection with a transaction subject to this part shall deposit all those funds that are not immediately placed into a neutral escrow depository or into the hands of the broker’s principal, into a trust fund account maintained by the broker in a bank or recognized depository in this state. All funds deposited by the broker in a trust account shall be maintained there until disbursed by the broker in accordance with instructions from the person entitled to the funds.

(2) Withdrawals may be made from a trust fund account of an individual broker only upon the signature of that broker, or in the case of a corporate broker, only upon the signature of an officer through whom the corporation is licensed pursuant to Section 10158 or 10211, or one, or more, of the following persons if specifically authorized in writing by the individual broker or officer:

(A) A real estate salesperson licensed to the broker.

(B) Another broker acting pursuant to a written agreement with the individual broker that conforms to the requirements of this part and any regulations promulgated pursuant to this part.

(C) An unlicensed employee of the individual broker, if the broker has fidelity bond coverage equal to at least the maximum amount of the trust funds to which the unlicensed employee has access at any time.

For purposes of this section, bonds providing coverage may be written with a deductible of up to 5 percent of the coverage amount. For bonds

1 with a deductible, the employing broker shall have evidence of financial
2 responsibility that is sufficient to protect members of the public against
3 a loss subject to the deductible amount.

4 Evidence of financial responsibility shall include one or more of the
5 following:

6 (i) Separate fidelity bond coverage adequate to cover the amount
7 of the fidelity bond deductible.

8 (ii) A cash deposit held in a separate account, apart from other
9 funds of the broker, the broker's employees, or the broker's
10 principals, in a bank or recognized depository in this state
11 adequate to cover the amount of the fidelity bond deductible and
12 held exclusively and solely for the purpose of paying the fidelity
13 bond deductible amount.

14 (iii) Any other evidence of financial responsibility approved by
15 the commissioner.

16 (3) An arrangement under which a person enumerated in subparagraph
17 (A),(B), or (C) of paragraph (2) is authorized to make withdrawals from a trust fund account of
18 a broker shall not relieve an individual broker, nor the broker-officer of a corporate broker
19 licensee, from responsibility or liability as provided by law in handling trust funds in the
20 broker's custody.

21 . . .
22 (4)(b) A real estate broker acting as a principal pursuant to Section 10131.1²
23 shall place all funds received from others for the purchase of real property sales contracts or

25 ²Code Section 10131.1 states, "(a) A real state broker within the meaning of this part is also a person who
26 engages as a principal in the business of making loans or buying from, selling to, or exchanging with the public,
real property sales contracts or promissory notes secured directly or collaterally by liens on real property..."

1 promissory notes secured directly or collaterally by liens on real property in a neutral escrow
2 depository unless delivery of the contract or notes is made simultaneously with the receipt of
3 the purchase funds.

4 . . .
5 (4)(g) The broker shall maintain a separate record of the receipt and disposition
6 of all funds described in subdivisions (a) and (b), including any interest earned on the
7 funds..."

8 18.

9 Pursuant to Regulation 2831 *Trust Fund Records To Be Maintained*:

10 "(a) Every broker shall keep a record of all trust funds received, including
11 uncashed checks held pursuant to instructions of his or her principal. This record, including
12 records maintained under an automated data processing system, shall set forth in chronological
13 sequence the following information in columnar form:

14 (1) Date trust funds received.

15 (2) From whom trust funds received.

16 (3) Amount received.

17 (4) With respect to funds deposited in an account, date of said deposit.

18 (5) With respect to trust funds previously deposited to an account, check
19 number and date of related disbursement.

20 (6) With respect to trust funds not deposited in an account, identity of other
21 depository and date funds were forwarded.

22 (7) Daily balance of said account.

23 (b) For each bank account which contains trust funds, a record of all trust funds
24 received and disbursed shall be maintained in accordance with subdivision (a) or (c).

(c) Maintenance of journals of account cash receipts and disbursements, or similar records, or automated data processing systems, including computer systems and electronic storage and manipulation of information and documents, in accordance with generally accepted accounting principles, shall constitute compliance with subdivision (a) provided that such journals, records, or systems contain the elements required by subdivision (a) and that such elements are maintained in a format that will readily enable tracing and reconciliation in accordance with Section 2831.2.

(d) Nothing in this section shall be construed to permit a violation of Section 10145 of the Code.

(e) A broker is not required to keep records pursuant to this section of checks which are written by a principal, given to the broker and made payable to third parties for the provision of services, including but not limited to escrow, credit and appraisal services, when the total amount of such checks for any transaction from that principal does not exceed \$1,000. Upon request of the Department or the maker of such checks, a broker shall account for the receipt and distribution of such checks. A broker shall retain for three years copies of receipts issued or obtained in connection with the receipt and distribution of such checks.”

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Pursuant to Regulation 2831.1 *Separate Record for Each Beneficiary or Transaction:*

“(a) A broker shall keep a separate record for each beneficiary or transaction, accounting for all funds which have been deposited to the broker’s trust bank account and interest, if any, earned on the funds on deposit. The record shall include information sufficient to identify the transaction and the parties to the transaction. Each record shall set forth in chronological sequence the following information in columnar form:

(1) Date of deposit.

(2) Amount of deposit.

(3) Date of each related disbursement.

(4) Check number of each related disbursement.

(5) Amount of each related disbursement.

(6) If applicable, dates and amounts of interest earned and credited to the account.

(7) Balance after posting transactions on any date.

(b) Maintenance of trust ledgers of separate beneficiaries or transactions, or similar records, or automated data processing systems, including computer systems and electronic storage and manipulation of information and documents, in accordance with generally accepted accounting principles will constitute compliance with subdivision (a), provided that such ledgers, records, or systems contain the elements required by subdivision (a) and that such elements are maintained in a format that will readily enable tracing and reconciliation in accordance with Section 2831.2.”

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Pursuant to Regulation 2831.2 *Trust Account Reconciliation:*

3 “3The balance of all separate beneficiary or transaction records maintained
4 pursuant to the provisions of Section 2831.1 must be reconciled with the record of all trust
5 funds received and disbursed required by Section 2831, at least once a month, except in those
6 months when the bank account did not have any activities. A record of the reconciliation must
7 be maintained, and it must identify the bank account name and number, the date of the
8 reconciliation, the account number or name of the principals or beneficiaries or transactions,
9 and the trust fund liabilities of the broker to each of the principals, beneficiaries or
10 transactions.”

21.

Pursuant to Regulation 2832.1 *Trust Fund Handling for Multiple Beneficiaries*:

13 “The written consent of every principal who is an owner of the funds in the
14 account shall be obtained by a real estate broker prior to each disbursement if such a
15 disbursement will reduce the balance of funds in the account to an amount less than the
16 existing aggregate trust fund liability of the broker to all owners of the funds.”

22.

Pursuant to Regulation 2834 *Trust Account Withdrawals:*

19 (a) "Withdrawals may be made from a trust fund account of an individual
20 broker only upon the signature of the broker or one or more of the following persons if
21 specifically authorized in writing by the broker:

(1) a salesperson licensed to the broker.

(2) a person licensed as a broker who has entered into a written agreement pursuant to Section 2726 with the broker.

(3) an unlicensed employee of the broker with fidelity bond coverage at least equal to the maximum amount of the trust funds to which the employee has access at any time.

(b) Withdrawals may be made from the trust fund account of a corporate broker only upon the signature of:

(1) an officer through whom the corporation is licensed pursuant to Section 10158 or 10211 of the Code or

(2) one of the persons enumerated in paragraph (1), (2) or (3) of subdivision (a) above, provided that specific authorization in writing is given by the officer through whom the corporation is licensed and that the officer is an authorized signatory of the trust fund account.

12 (c) An arrangement under which a person enumerated in paragraph (1), (2) or
13 (3) of subdivision (a) above is authorized to make withdrawals from a trust fund account of a
14 broker shall not relieve an individual broker, nor the broker-officer of a corporate broker
15 licensee, from responsibility or liability as provided by law in handling trust funds in the
16 broker's custody."

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1 23.

2 Pursuant to Regulation 2835 *Commingling*:

3 “Commingling” as used in Section 10176(e) of the Code is prohibited except as
4 specified in this section. For purposes of Section 10176(e), the following shall not constitute
5 “commingling”:

6 (a) The deposit into a trust account of reasonably sufficient funds, not to exceed
7 \$200, to pay service charges or fees levied or assessed against the account by the bank or
8 financial institution where the account is maintained.

9 (b) The deposit into a trust account maintained in compliance with subdivision
10 (d) of funds belonging in part to the broker's principal and in part to the broker when it is not
11 reasonably practicable to separate such funds, provided the part of the funds belonging to the
12 broker is disbursed not later than twenty-five days after their deposit and there is no dispute
13 between the broker and the broker's principal as to the broker's portion of the funds. When the
14 right of a broker to receive a portion of trust funds is disputed by the broker's principal, the
15 disputed portion shall not be withdrawn until the dispute is finally settled.

16 (c) The deposit into a trust account of broker owned funds in connection with
17 activities pursuant to either subdivision (d) or (e) of Section 10131 of the Code or when
18 making, collecting payments or servicing a loan which is subject to the provisions of Section
19 10240 of the Code provided:

20 (1) The broker meets the criteria of Section 10232 of the Code.

21 (2) All funds in the account which are owned by the broker are
22 identified at all times in a separate record which is distinct from any
23 separate record maintained for a beneficiary.

24 (3) All broker owned funds deposited into the account are disbursed
25 from the account not later than 25 days after their deposit.

(4) The funds are deposited and maintained in compliance with subdivision (d).

(5) For the purpose of this section, a broker shall be deemed to be subject to the provisions of Section 10240 of the Code if the broker delivers the statement to the borrower required by Section 10240.

(d) The trust fund account into which the funds are deposited is maintained in accordance with the provisions of Section 10145 and the regulations of this article.”

Broker Supervision

(Code Section 10159.2 and Regulation 2725)

24.

Pursuant to Code Section 10159.2 *Responsibility of Corporate Officer in
Charge:*

13 “(a) The officer designated by a corporate broker licensee pursuant to Section
14 10211 shall be responsible for the supervision and control of the activities conducted on behalf
15 of the corporation by its officers and employees as necessary to secure full compliance with
16 the provisions of this division, including the supervision of salespersons licensed to the
17 corporation in the performance of acts for which a real estate license is required.

18 (b) A corporate broker licensee that has procured additional licenses in
19 accordance with Section 10158 through officers other than the officer designated pursuant to
20 Section 10211 may, by appropriate resolution of its board of directors, assign supervisory
21 responsibility over salespersons licensed to the corporation to its broker-officers.

1 25.

2 Pursuant to Regulation 2725 *Broker Supervision*:

3 "A broker shall exercise reasonable supervision over the activities of his or her
4 salespersons. Reasonable supervision includes, as appropriate, the establishment of policies,
5 rules, procedures and systems to review, oversee, inspect and manage:

- 6 (a) Transactions requiring a real estate license.
- 7 (b) Documents which may have a material effect upon the rights or obligations
8 of a party to the transaction.
- 9 (c) Filing, storage and maintenance of such documents.
- 10 (d) The handling of trust funds.
- 11 (e) Advertising of any service for which a license is required.
- 12 (f) Familiarizing salespersons with the requirements of federal and state laws
13 relating to the prohibition of discrimination.
- 14 (g) Regular and consistent reports of licensed activities of salespersons.

15 The form and extent of such policies, rules, procedures and systems shall take into
16 consideration the number of salespersons employed and the number and location of branch
17 offices. A broker shall establish a system for monitoring compliance with such policies, rules,
18 procedures and systems. A broker may use the services of brokers and salespersons to assist in
19 administering the provisions of this section so long as the broker does not relinquish overall
20 responsibility for supervision of the acts of salespersons licensed to the broker."

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Grounds for Revocation or Suspension3
(selected portions)4
Pursuant to Code Section 10176 *Grounds for Revocation or Suspension*:5
“The commissioner may, upon his or her own motion, and shall, upon the
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verified complaint in writing of any person, investigate the actions of any person engaged in
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the business or acting in the capacity of a real estate licensee within this state, and he or she
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may temporarily suspend or permanently revoke a real estate licensee at any time where the
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licensee, while a real estate licensee, in performing or attempting to perform any of the acts
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within the scope of this chapter has been guilty of any of the following:11
...
1213
(e) Commingling with his or her own money or property the money or
14
other property of others which is received and held by him or her.15
...
1617
(i) Any other conduct, whether of the same or of a different character
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than specified in this section, which constitutes fraud or dishonest
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dealing...”
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Further Grounds for Disciplinary Action3
(Code Section 10177)4
Pursuant to Code Section 10177 *Further Grounds for Disciplinary Action*:5
“The commissioner may suspend or revoke the license of a real estate licensee,
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delay the renewal of a license of a real estate licensee, or deny the issuance of a license to an
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applicant, who has done any of the following, or may suspend or revoke the license of a
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corporation, delay the renewal of a license of a corporation, or deny the issuance of a license to
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a corporation, if an officer, director, or person owning or controlling 10 percent or more of the
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corporation’s stock has done any of the following:11
(a) Procured, or attempted to procure, a real estate license or license
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renewal, for themselves or a salesperson, by fraud, misrepresentation, or
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deceit, or by making a material misstatement of fact in an application
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for a real estate license, license renewal, or reinstatement.15
(b) (1) Entered a plea of guilty or no contest to, or been found guilty of,
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or been convicted of, a felony, or a crime substantially related to the
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qualifications, functions, or duties of a real estate licensee, and the time
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for appeal has elapsed or the judgment of conviction has been affirmed
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on appeal, irrespective of an order granting probation following that
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conviction, suspending the imposition of sentence, or of a subsequent
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order under Section 1203.4 of the Penal Code allowing that licensee to
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withdraw that licensee’s plea of guilty and to enter a plea of not guilty,
23
or dismissing the accusation or information.

(2) Notwithstanding paragraph (1), and with the recognition that sentencing may not occur for months or years following the entry of a guilty plea, the commissioner may suspend the license of a real estate licensee upon the entry by the licensee of a guilty plea to any of the crimes described in paragraph (1). If the guilty plea is withdrawn, the suspension shall be rescinded and the license reinstated to its status prior to the suspension. The department shall notify a person whose license is subject to suspension pursuant to this paragraph of that person's right to have the issue of the suspension heard in accordance with Section 10100.

(c) Knowingly authorized, directed, connived at, or aided in the publication, advertisement, distribution, or circulation of a material false statement or representation concerning their designation or certification of special education, credential, trade organization membership, or business, or concerning a business opportunity or a land or subdivision, as defined in Chapter 1 (commencing with Section 11000) of Part 2, offered for sale.

(d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law and Chapter 1 (commencing with Section 11000) of Part 2.

(e) Willfully used the term "realtor" or a trade name or insignia of membership in a real estate organization of which the licensee is not a member.

1 (f) Acted or conducted themself in a manner that would have warranted
2 the denial of their application for a real estate license, or either had a
3 license denied or had a license issued by another agency of this state,
4 another state, or the federal government revoked, surrendered, or
5 suspended for acts that, if done by a real estate licensee, would be
6 grounds for the suspension or revocation of a California real estate
7 license, if the action of denial, revocation, surrender, or suspension by
8 the other agency or entity was taken only after giving the licensee or
9 applicant fair notice of the charges, an opportunity for a hearing, and
10 other due process protections comparable to the Administrative
11 Procedure Act (Chapter 3.5 (commencing with Section 11340), Chapter
12 4 (commencing with Section 11370), and Chapter 5 (commencing with
13 Section 11500) of Part 1 of Division 3 of Title 2 of the Government
14 Code), and only upon an express finding of a violation of law by the
15 agency or entity.

16 (g) Demonstrated negligence or incompetence in performing an act for
17 which the officer, director, or person is required to hold a license.

18 (h) As a broker licensee, failed to exercise reasonable supervision over
19 the activities of that licensee's salespersons, or, as the officer designated
20 by a corporate broker licensee, failed to exercise reasonable supervision
21 and control of the activities of the corporation for which a real estate
22 license is required.

23 (i) Used their employment by a governmental agency in a capacity
24 giving access to records, other than public records, in a manner that
25 violates the confidential nature of the records.

1 (j) Engaged in any other conduct, whether of the same or of a different
2 character than specified in this section, that constitutes fraud or
3 dishonest dealing.

4 (k) Violated any of the terms, conditions, restrictions, and limitations
5 contained in an order granting a restricted license.

6 (l) (1) Solicited or induced the sale, lease, or listing for sale or lease of
7 residential property on the grounds, wholly or in part, of loss of value,
8 increase in crime, or decline of the quality of the schools due to the
9 present or prospective entry into the neighborhood of a person or
10 persons having a characteristic listed in subdivision (a) or (d) of Section
11 12955 of the Government Code, as those characteristics are defined in
12 Sections 12926 and 12926.1 of, subdivision (m) and paragraph (1) of
13 subdivision (p) of Section 12955 of, and Section 12955.2 of, the
14 Government Code.
15 (2) Notwithstanding paragraph (1), with respect to familial status,
16 paragraph (1) shall not be construed to apply to housing for older
17 persons, as defined in Section 12955.9 of the Government Code. With
18 respect to familial status, nothing in paragraph (1) shall be construed to
19 affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil
20 Code, relating to housing for senior citizens. Subdivision (d) of Section
21 51 and Section 4760 of the Civil Code and subdivisions (n), (o), and (p)
22 of Section 12955 of the Government Code shall apply to paragraph (1).
23 (m) Violated the Franchise Investment Law (Division 5 (commencing
24 with Section 31000) of Title 4 of the Corporations Code) or regulations
25 of the Commissioner of Business Oversight pertaining thereto.

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(n) Violated the Corporate Securities Law of 1968 (Division 1 (commencing with Section 25000) of Title 4 of the Corporations Code) or the regulations of the Commissioner of Business Oversight pertaining thereto.

(o) Failed to disclose to the buyer of real property, in a transaction in which the licensee is an agent for the buyer, the nature and extent of a licensee's direct or indirect ownership interest in that real property. The direct or indirect ownership interest in the property by a person related to the licensee by blood or marriage, by an entity in which the licensee has an ownership interest, or by any other person with whom the licensee has a special relationship shall be disclosed to the buyer.

(p) Violated Article 6 (commencing with Section 10237).

(q) Violated or failed to comply with Chapter 2 (commencing with Section 2920) of Title 14 of Part 4 of Division 3 of the Civil Code, relating to mortgages.

If a real estate broker that is a corporation has not done any of the foregoing acts, either directly or through its employees, agents, officers, directors, or persons owning or controlling 10 percent or more of the corporation's stock, the commissioner may not deny the issuance or delay the renewal of a real estate license to, or suspend or revoke the real estate license of, the corporation, provided that any offending officer, director, or stockholder, who has done any of the foregoing acts individually and not on behalf of the corporation, has been completely disassociated from any affiliation or ownership in the corporation. A decision by the commissioner to delay the renewal of a real estate license shall toll the expiration of that license until the results of any pending disciplinary actions against that licensee are final, or until the licensee voluntarily surrenders the licensee's license, whichever is earlier."

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Retention of Records – Chargeable Audits – Cost Recovery – Penalties for Unlawful
3
Destruction of Records
4
(Code Section 10148)5
Pursuant to Code Section 10148 *Retention of Records – Chargeable Audits –*
6
*Cost Recovery – Penalties for Unlawful Destruction of Records:*7
“ (a) A licensed real estate broker shall retain for three years copies of all
8
listings, deposit receipts, canceled checks, trust records, and other documents executed by the
9
broker or obtained by the broker in connection with any transactions for which a real estate
10
broker license is required. The retention period shall run from the date of the closing of the
11
transaction or from the date of the listing if the transaction is not consummated. After notice,
12
the books, accounts, and records shall be made available for examination, inspection, and
13
copying by the commissioner or the commissioner’s designated representative during regular
14
business hours; and shall, upon the appearance of sufficient cause, be subject to audit without
15
further notice, except that the audit shall not be harassing in nature. This subdivision shall not
16
be construed to require a licensed real estate broker to retain electronic messages of an
17
ephemeral nature, as described in subdivision (d) of Section 1624 of the Civil Code.18
(b) The commissioner shall charge a real estate broker for the cost of any audit,
19
if the commissioner has found, in a final desist and refrain order issued under Section 10086 or
20
in a final decision following a disciplinary hearing held in accordance with Chapter 5
21
(commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code
22
that the broker has violated Section 10145 or a regulation or rule of the commissioner
23
interpreting Section 10145.24
(c) If a broker fails to pay for the cost of an audit as described in subdivision (b)
25
within 60 days of mailing a notice of billing, the commissioner may suspend or revoke the
26

1 broker's license or deny renewal of the broker's license. The suspension or denial shall remain
2 in effect until the cost is paid or until the broker's right to renew a license has expired.

3 (d) The commissioner may maintain an action for the recovery of the cost of an
4 audit in any court of competent jurisdiction. In determining the cost incurred by the
5 commissioner for an audit, the commissioner may use the estimated average hourly cost for all
6 persons performing audits of real estate brokers.

7 (e) The department may suspend or revoke the license of any real estate broker,
8 real estate salesperson, or corporation licensed as a real estate broker, if the real estate broker,
9 real estate salesperson, or any director, officer, employee, or agent of the corporation licensed
10 as a real estate broker knowingly destroys, alters, conceals, mutilates, or falsifies any of the
11 books, papers, writings, documents, or tangible objects that are required to be maintained by
12 this section or that have been sought in connection with an investigation, audit, or examination
13 of a real estate licensee by the commissioner."

14 29.

15 **Cost Recovery**

16 **(Code Section 10106)**

17 Pursuant to Code Section 10106 *Cost Recovery of Investigations*:

18 "(a) Except as otherwise provided by law, in any order issued in resolution of a
19 disciplinary proceeding before the department, the commissioner may request the
20 administrative law judge to direct a licensee found to have committed a violation of this part to
21 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

22 (b) In the case of a disciplined licensee that is a corporation or a partnership,
23 the order may be made against the licensed corporate entity or licensed partnership.

24 (c) A certified copy of the actual costs, or a good faith estimate of costs where
25 actual costs are not available, signed by the commissioner or the commissioner's designated

1 representative, shall be *prima facie* evidence of reasonable costs of investigation and
2 prosecution of the case. The costs shall include the amount of investigative and enforcement
3 costs up to the date of the hearing, including, but not limited to, charges imposed by the
4 Attorney General.

5 (d) The administrative law judge shall make a proposed finding of the amount of
6 reasonable costs of investigation and prosecution of the case when requested pursuant to
7 subdivision (a). The finding of the administrative law judge with regard to costs shall not be
8 reviewable by the commissioner to increase the cost award. The commissioner may reduce or
9 eliminate the cost award, or remand to the administrative law judge where the proposed
10 decision fails to make a finding on costs requested pursuant to subdivision (a).

11 (e) Where an order for recovery of costs is made and timely payment is not
12 made as directed in the commissioner's decision, the commissioner may enforce the order for
13 repayment in any appropriate court. This right of enforcement shall be in addition to any other
14 rights the commissioner may have as to any licensee to pay costs.

15 (f) In any action for recovery of costs, proof of the commissioner's decision
16 shall be conclusive proof of the validity of the order of payment and the terms for payment.

17 (g) (1) Except as provided in paragraph (2), the department shall not renew or
18 reinstate the license of any licensee who has failed to pay all of the costs ordered under this
19 section.

20 (2) The department may, in its discretion, conditionally renew or reinstate
21 for a maximum of one year the license of any licensee who demonstrates
22 financial hardship and who enters into a formal agreement with the
23 department to reimburse the department within that one-year period for the
24 unpaid costs.

(h) All costs recovered under this section shall be considered a reimbursement for costs incurred and shall be deposited in the Real Estate Fund to be available, notwithstanding Section 10451, upon appropriation by the Legislature.

(i) Nothing in this section shall preclude the department from including the recovery of the costs of investigation and enforcement of a case in any stipulated settlement.”

AUDIT LA230090

(Violations from July 1, 2022 to May 31, 2024)

30.

On February 28, 2025, the DRE completed its follow-up investigative audit examination of the books and records of Respondent pertaining to its property management activities (Audit LA230090), which require a real estate license. The attempted audit examination covered the period of time beginning on July 1, 2022 and ending May 31, 2024 (audit period), and the examination was conducted between June 18, 2024 and February 28, 2025 at the DRE's Los Angeles District Office (LADO) located at 320 W. 4th Street, Suite 350, Los Angeles, CA 90013-1105.

31.

The final audit report dated February 28, 2025 revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report LA230090 (DRE Form RE 4511 (Rev. 7/14)).

32.

Business Activities

At the time of Audit LA230090 and according to DRE records dated February 18, 2025, BOLENDER has been DLRI's D.O. since his D.O. effective date of January 12, 2023. According to said DRE records, MENDOZA was DLRI's former D.O. from October 15, 2019 to January 11, 2023, and MENDOZA's officer license was expired as of February 3,

1 2024. (According to the DRE auditor's discussions with D.O. BOLENDER and an
2 examination of Los Angeles County Public Health records, MENDOZA passed away on
3 December 5, 2022. No exit conference could be conducted with MENDOZA for the purposes
4 of DRE Audit LA230090.)

5 33.

6 According to D.O. BOLENDER and the records examined for the audit, DLRI
7 managed 137 properties for 117 property owners. Of the 137 properties managed by DLRI,
8 134 were residential properties with one to four units and three (3) properties had more than
9 four (4) units. DLRI charged a management fee of 3.6% to 8.1% of monthly rent collected
10 plus an additional half of all late charges.

11 34.

12 Corporate Structure

13 According to the February 18, 2025 DRE records, DLRI maintained two (2)
14 active FBNs, Legends Property Management and Legends Realty, and DLRI employed 21
15 RES and no broker associates. According to D.O. BOLENDER, DLRI's corporate structure at
16 the time of the entrance conference on July 3, 2024 was as follows: RES Joeseph U. Delatorre
17 (DRE license ID 01001150) is the President, CEO and a 50% shareholder, and non-licensee
18 Kristina Delatorre is the Secretary and Treasurer and a 50% shareholder.

19 35.

20 Bank Account

21 According to D.O. BOLENDER and the records examined for the audit, DLRI
22 maintained one (1) trust account for multiple beneficiaries during the audit period, Citizens
23 Business Bank account number #####0987 (TA1), and between June 1, 2023 and May 31,
24 2024, DLRI collected trust fund receipts totaling approximately \$4,447,444.86 in the last
25 twelve (12) months ending on May 31, 2024.

CAUSES FOR DISCIPLINE

Violations of the Real Estate Law

36.

In the course of DLRI's real estate activities described in Paragraph 5 during the subject audit period described above in Paragraphs 32 through 33, the DRE auditor made findings that Respondents violated the Code and the Regulations, as described below, and more fully discussed in the DRE's Audit Report for Audit LA23009 dated February 28, 2025.

37.

Audit LA230090 - Issue One:

Handling of Trust Funds/Trust Fund Handling for Multiple Beneficiaries

(Code Section 10145(a) and Regulation 2832.1)

A. Former D.O. Mendoza (July 1, 2022 to January 11, 2023)

According to the book and records examined, as of January 11, 2023, TA1 had a minimum shortage of <\$211.73> caused by disbursements related to property located at 221 Lois St., in La Habra for property owner Luis G. and unauthorized disbursements to DLT Legends' account of <\$86.73>. TA1 had unidentified/unaccounted for funds of \$5,612.18 as of January 11, 2023. Based on an examination of the books and records, the property located at 221 Lois St. had a minimum negative property account balance of <\$125.00>; there was disbursement to "Legends Property Management" of \$125.00 on January 1, 2023 as a management fee. Said property account had a beginning balance of zero.

B. DLRI provided no evidence that the owners of the trust funds had given their written consent to allow DLRI/[former D.O.] Mendoza to reduce the balance of funds in TA1 to an amount less than the aggregate trust funds liabilities, in violation of **Code Section 10145(a) and Regulation 2832.1**.

1 C. D.O. BOLENDER (effective January 12, 2023)

2 According to the book and records examined, as of May 31, 2024, TA1 had a
3 minimum shortage of <\$7,743.09> caused by an account titled “Legends Property
4 Management” minimum negative account/unauthorized disbursements of <\$133.74> and a
5 minimum unidentified shortage of <\$7,609.35> as of May 31, 2024.

6 D. DLRI/BOLENDER provided no evidence that the owners of the trust funds
7 had given their written consent to allow DLRI/BOLENDER to reduce the balance of funds in
8 TA1 to an amount less than the aggregate trust funds liabilities, in violation of **Code Section
9 10145(a) and Regulation 2832.1.**

10 38.

11 Audit LA230090 - Issue Two:

12 **Handling of Trust Funds/Trust Fund Records to Be Maintained
13 (Code Section 10145 and Regulation 2831)**

14 Former D.O. Mendoza (July 1, 2022 to January 11, 2023)

15 According to the books and records examined, the records of all trust funds
16 received and disbursed (control records) maintained for TA1 were inaccurate. Said account
17 did not reflect an accurate daily balance. DLRI’s general ledger showed a balance of
18 \$403,786.53 as of January 11, 2023, while the separate record showed a balance of
19 \$391,516.39 as of January 11, 2023; said inaccuracy is in violation of **Code Section 10145
20 and Regulation 2831.**

21 ///

22 ///

23 ///

24 ///

25 ///

2
Audit LA230090 - Issue Three:3
Handling of Trust Funds/Separate Record for Each Beneficiary or Transaction4
(Code Section 10145 and Regulation 2831.1)5
A. Former D.O. Mendoza (July 1, 2022 to January 11, 2023)6
According to the books and records examined, DLRI failed to maintain a
7
separate record of the receipt and disposition of all trust funds deposited into TA1 as required
8
by, and in violation of, **Code Section 10145 and Regulation 2831.1**. TA1 contained
9
unidentified/unaccounted for funds of \$5,612.18 as of January 11, 2023.10
B. D.O. BOLENDER (effective January 12, 2023)11
According to the books and records examined, during the audit period, in
12
connection with the collection and disbursement of trust funds, DLRI failed to maintain a
13
complete separate record of the receipt and disposition of all trust funds deposited into TA1 as
14
required by, and in violation of **Code Section 10145 and Regulation 2831.1**. TA1 contained
15
minimum unidentified shortage of at least <\$7,609.35> as of May 31, 2024.16
Additional Violations of the Real Estate Law18
Responsibility of Corporate Officer in Charge/Broker Supervision19
(Code Section 10159.2 and Regulation 2725)20
Based on the above findings, D.O. BOLENDER did not adequately supervise
21
and control the real estate activities of DLRI's employees and its RES. BOLENDER failed to
22
establish policies, rules, procedures, and systems to review, oversee, inspect, and manage
23
transactions requiring a real estate license and the handling of trust funds, in violation of **Code**
24
Section 10159.2 and Regulation 2725.

1 41.

2 **(Code Section 10177(d))**

3 Based on the above findings, the overall conduct of Respondents DLRI and
4 BOLENDER is in violation of the Real Estate Law and constitutes cause for the suspension or
5 revocation of their real estate licenses and license rights under the provisions of **Code Section**
6 **10177(d)** (for willful disregard of the Real Estate Law).

7 **COSTS**

8 42.

9 **Investigation & Enforcement Costs**

10 **(Code Section 10106)**

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

16 43.

17 **Audit Costs**

18 **(Code Section 10148)**

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

23 ///

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26

27

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 Respondents **DLT LEGENDS REALTY, INC.** and **ROBERT D BOLENDER, III** under the Real Estate Law (Part 1 of vision 4 of the Business and Professions Code), for the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under other provisions of law.

Dated at Los Angeles, California: December 1, 2025.

Ray Dagnino

Ray Dagnino
Supervising Special Investigator

cc: DLT Legends Realty, Inc.
Robert D Bolender, III
Enforcement – R. Dagnino
Audits – Los Angeles
Sacto.