

NEW JERSEY REAL ESTATE COMMISSION

NEW JERSEY REAL ESTATE COMMISSION	)	DOCKET NUMBER MER-19-011
	)	(REC Ref No.'s 10004352, 10004446,
Complainant,	)	10004553, 10004612, 10004626, 10004982
	)	and 10008099)
	)	
v.	)	ORDER TO SHOW CAUSE
	)	
MARCO MEDRANO, licensed New Jersey	)	
real estate salesperson, (Ref No. 1325297)	)	
	)	
Respondent.	)	

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THIS MATTER being commenced by the New Jersey Real Estate Commission (the "Commission") in the Department of Banking and Insurance, State of New Jersey, on its own motion, pursuant to the provisions of N.J.S.A. 45:15-17, 45:15-18 and N.J.A.C. 11:5-1.1 et seq., and it appearing that:

1. Respondent Marco Medrano ("Medrano") is a licensed New Jersey real estate salesperson, who has been licensed in New Jersey since February 13, 2013. Medrano's license is currently in "Inactive" status and he is not currently licensed through any New Jersey real estate broker; and

2. From the inception of Medrano's salesperson license through June 30, 2015, Medrano was licensed through Robert Michael Realty, LLC, a New Jersey real estate broker, whose office is located at 50 Harrison Street, Suite 212A, Hoboken, New Jersey. Medrano's licensure through Robert Michael Realty LLC was not continuous and included periods during which he was not actively licensed. Medrano's license was in "Inactive" status and not held by any New Jersey broker from July 1, 2015 to October 3, 2016. From October 4, 2016 to December 8, 2016, Medrano was licensed through Gentry Realty Associates, licensed New Jersey real estate broker, whose office is located at 145 West Passaic Street, Maywood, New Jersey 07607. Medrano's license has been inactive since December 8, 2016; and

3. Medrano was not authorized to engage in the real estate business as a real estate broker, broker-salesperson or salesperson from the time periods of July 1, 2015 through October 3, 2016 and

from December 8, 2016 to date, as a result of the fact that he was not licensed through a New Jersey real estate broker during those time periods; and

4. On or about March 7, 2019, Medrano submitted an application for reinstatement of his salesperson license to the Commission. That application is being denied by staff simultaneously hereto. On May 10, 2019, Commission staff issued a letter to Medrano, denying his application for reinstatement of licensure as a result of the conduct described below; and

5. During various times in which Medrano was not actively licensed under a real estate broker authorized to conduct real estate activity in New Jersey, Medrano held himself out to the public as an actively licensed real estate salesperson and advertised rental properties on the internet to consumers. The properties so advertised were not owned by Medrano. Medrano collected deposit monies from consumers for properties which were, in many cases, already rented or otherwise unavailable. Upon the failure of these transactions to be completed, Medrano failed to return collected monies to consumers in a timely fashion, causing severe financial harm and distress to consumers; and

6. From approximately June to November of 2016, the Commission received seven complaints against Medrano for the activity generally described above, the details of which are more fully set forth below; and

**REC INVESTIGATION FILE NUMBER 10004352**

**393 Linden Avenue**

7. In or around the months of April through June of 2016, Medrano posted internet advertisements for rental properties on craigslist.com and other similar websites. Said advertisements indicated that Medrano was licensed through Robert Michael Realty LLC and instructed consumers to call Robert Michael Realty for more information or to make an appointment, however the telephone number listed was in fact Medrano's cell phone number. The subject advertisements also included the statement: "REALTY FEE ONE MONTH" and did not include any statement indicating that commission rates are negotiable in New Jersey. Copies of the aforementioned advertisements for ten separate rental properties posted on craigslist.com by Medrano are attached hereto as **Exhibit A**; and

8. In or around March of 2016, consumers Adam Ordonez and Heather Zeppone responded to an internet advertisement posted by Medrano for the rental of an apartment located at 393 Linden Avenue, 2<sup>nd</sup> Floor, Bogota, New Jersey ("393 Linden"); and

9. On or about March 16, 2016, Mr. Ordonez and Ms. Zeppone provided Medrano with \$1400 cash to be used as a portion of the security deposit for 393 Linden; and

10. Upon information and belief, Mr. Ordonez and Ms. Zeppone also provided Medrano with additional funds to be used for the security deposit and/or first month's rent for 393 Linden; and

11. The above payments were never delivered to a New Jersey broker for deposit into an escrow or trust account maintained by a licensed broker; and

12. Upon information and belief, the above payments were never deposited into a special account, separate and apart from Medrano's personal or other business accounts; and

13. Upon information and belief, Adam Ordonez and Heather Zeppone never entered into any written lease agreement to rent 393 Linden, nor was any transaction otherwise completed for 393 Linden; and

14. After the rental transaction did not materialize, Medrano failed to immediately return the above described funds to Mr. Ordonez and Ms. Zeppone; and

15. Upon contacting Robert Michael Realty LLC, Mr. Ordonez and Ms. Zeppone were informed that Medrano was not employed by, or associated with, the company; and

16. Thereafter, Mr. Ordonez and Ms. Zeppone filed a complaint against Medrano with the Bogota Police Department for the above described conduct, demanding the return of their funds; and

17. On or about April 9, 2016, Medrano tendered Wells Fargo Bank check #1019 to Mr. Ordonez and Ms. Zeppone. The check was issued by Mi Columbia Restaurant, made payable to Heather Zeppone in the amount of \$2025, in repayment of the above-described payments, which were previously provided to Medrano as security deposit funds for the rental of 393 Linden; and

**REC INVESTIGATION FILE NUMBERS 10004446, 10004626 & 10008099**

**308 Hirliman Road**

18. In or around April of 2016, consumer Benicio Gonzalez contacted Medrano in response to internet advertisements for the rental of an apartment located at 308 Hirliman Road, Englewood, New Jersey ("308 Hirliman"). In the advertisements, Medrano stated that he is a "Licensed Real Estate Agent" licensed through Robert Michael Realty LLC; and

19. Mr. Gonzalez met with Medrano, who again identified himself as licensed real estate agent working for Robert Michael Realty, LLC, and agreed to sign a lease to rent 308 Hirliman. The owner of 308 Hirliman was not present during this meeting; and

20. On or about April 23, 2016, Benicio Gonzalez issued personal check # 3535, in the amount of \$2,200, made payable to Agnes Medrano. The memo section of the check included the notation: "308 Hirliman Rd Englewood"; and

21. On or about May 11, 2016, Benicio Gonzalez issued personal check # 3536, in the amount of \$3,000, made payable to Medrano. The memo section of the check included the notation: "308 Hirliman Ave"; and

22. The above payments were never delivered to a New Jersey broker for deposit into an escrow or trust account maintained by a broker; and

23. Upon information and belief, the above payments were never deposited into a special account, separate and apart from Medrano's personal or other business accounts; and

24. On or about May 30, 2016, Benicio Gonzalez entered into a residential lease agreement to rent 308 Hirliman from the owner of the property, Lal Pathan (the "Landlord"). The lease stated that a security deposit in the amount of \$2,850 was applicable and that the amount of monthly rent was \$1,900. Sections 34 and 39 of the lease, titled "BROKER'S COMMISSION" and "DECLARATION OF LICENSEE BUSINESS RELATIONSHIP" respectively, were left blank. Medrano initialed the lease as "LP" on behalf of the Landlord and signed the lease as in the space designated for the Landlord's signature and included a note, stating: "agent sign on behalf of landlord"; and

25. Upon information and belief, Mr. Gonzalez took possession of 308 Hirliman on or about June 1, 2016 and provided Medrano with monthly rental payments in cash, in amount of \$1,900, for the months of June and July. Mr. Gonzalez attempted to provide Medrano with a check in payment of the rent, however Medrano refused to accept same, and insisted on cash payments; and

26. Upon information and belief, Medrano never turned any of the aforementioned payments over to the Landlord; and

27. On or about October 26, 2016, the Landlord's son contacted Mr. Gonzalez and requested payment of the rent, stating that the Landlord had not received any rent money from Medrano; and

28. On or about November 18, 2016, Medrano was arrested and charged with one count of Theft by Deception, in violation of N.J.S.A. 2C:20-4(a), a crime of the third degree and one count of Deceptive Business Practices, in violation of N.J.S.A. 2C:21-7(e), a disorderly persons offense, in connection with the above-described conduct; and

29. Medrano failed to notify the Commission within 30 days of the filing of the above criminal charges against him; and

**REC INVESTIGATION FILE NUMBER 10004553**

**242 3<sup>rd</sup> Street**

30. In or around May of 2016, consumer Jessica Ward contacted Medrano in response to an internet advertisement for the rental of an apartment located at 242 3<sup>rd</sup> Street, Hackensack, New Jersey ("242 3<sup>rd</sup> Street"), posted by Medrano. At that time, Medrano informed Ms. Ward that the only way he can hold a listing is with a cash deposit of the full security; and

31. At all relevant times herein, Ms. Ward was the recipient of rental housing assistance benefits from the U.S. Department of Housing and Urban Development ("Section 8 Benefits"); and

32. On or about May 25, 2016 and May 27, 2016, after obtaining approval for the rental of 242 3<sup>rd</sup> Street from her Section 8 Benefits case worker, Ms. Ward provided Medrano with cash payments in the amounts of \$1,000 and \$1,400 respectively. The funds were to be used towards the security deposit for the rental of 242 3<sup>rd</sup> Street; and

33. The above cash payments were never delivered to a New Jersey broker for deposit into an escrow or trust account maintained by a licensed broker; and

34. Upon information and belief, the above cash payments were never deposited into a special account, separate and apart from Medrano's personal or other business accounts; and

35. Upon information and belief, Jessica Ward never entered into any written lease agreement to rent 242 3<sup>rd</sup> Street, nor was any transaction otherwise completed for 242 3<sup>rd</sup> Street; and

36. Ms. Ward's Section 8 Benefits case worker made numerous attempts to contact Medrano to schedule an inspection required for the receipt of Section 8 Benefits, however Medrano failed to respond. Upon information and belief, Ms. Ward's approval for Section 8 Benefits for the rental of 242 3<sup>rd</sup> Street was thereafter rescinded; and

37. Ms. Ward made numerous attempts to contact Medrano regarding the return of her deposit funds, however Medrano failed to return said funds in a timely manner; and

38. On or about July 30, 2016, Medrano issued TD Bank check # 13845607 from his personal bank account in the amount of \$2,475, made payable to Jessica Ward, in repayment of the above cash payments for the purported rental of 242 3<sup>rd</sup> Street. Ms. Ward attempted to deposit the check, however said check was returned for insufficient funds; and

39. On or about August 3, 2016, Medrano provided Jessica Ward with \$2475 in cash, in repayment of the above-described cash payment provided to Medrano as security deposit funds for the rental of 242 3<sup>rd</sup> Street; and

40. As a result of Medrano's conduct, as described above, Jessica Ward and her family were displaced from their home and incurred significant out-of-pocket expenses for moving and storage costs; and

**REC INVESTIGATION FILE NUMBER 10004612**

**166 Lincoln Place**

41. In or around July of 2016, consumer Tiffany James contacted Medrano to assist her in finding a rental property that would accept her Section 8 Benefits. Medrano informed her of the

availability of an apartment located at 166 Lincoln Place, Garfield, New Jersey ("166 Lincoln"), which would meet her needs; and

42. On or about July 7, 2016, Ms. James provided Medrano with \$2512 as a security deposit for 166 Lincoln, at which time Medrano informed Ms. James that the apartment would be available for her to move in to within a few days. Upon information and belief, said security deposit payment was in cash; and

43. Thereafter, 166 Lincoln failed an inspection, which was required for Ms. James' receipt of Section 8 Benefits. A new inspection was scheduled to take place on August 16, 2016; and

44. On or about August 16, 2016, Medrano represented to Ms. James that the scheduled inspection had been completed, however Ms. James was then informed by her Section 8 social worker that said inspection was never performed; and

45. Medrano admitted to Ms. James that the apartment failed the inspection and was not approved for occupancy by children, due to the presence of lead paint; and

46. Ms. James requested the return of her money from Medrano, who replied that the funds were in the possession of the landlord and would be returned to her on August 18, 2016; and

47. Ms. James was never provided with contact information for the landlord of 166 Lincoln; and

48. The above described funds were not returned to Ms. James on August 18, 2016 as promised by Medrano; and

**REC INVESTIGATION FILE NUMBER 10004982**

**242 3<sup>rd</sup> Street & 119 Sussex**

49. In or around May of 2016, consumer Juri Rosario contacted Medrano in reference to a craigslist.com internet advertisement for the rental of 242 3<sup>rd</sup> Street and informed him that she was the recipient of Section 8 Benefits; and

50. After viewing the apartment with Medrano and confirming that it was acceptable for purposes of her Section 8 housing assistance benefits, Ms. Rosario provided Medrano with \$2475 in cash

on or about May 28, 2016, which was to be used as the security deposit for the rental of 242 3<sup>rd</sup> Street; and

51. In or around July of 2016, Medrano informed Ms. Rosario that 242 3<sup>rd</sup> Street was no longer available for rent; and

52. Thereafter, Medrano informed Ms. Rosario of another apartment that would meet her needs, located at 119 Sussex Street, Hackensack, New Jersey ("119 Sussex"), and informed her that the apartment would be ready for her and her two children to move into by September 1, 2016. Medrano retained Ms. Rosario's cash deposit during this time; and

53. Thereafter, Medrano informed Ms. Rosario and her Section 8 Benefits case worker that the availability of the apartment had been delayed, and would not be ready until October 1, 2016; and

54. On her own initiative, Ms. Rosario discovered that 119 Sussex had also already been rented to a different party and was therefore not available for rent; and

55. Ms. Rosario then contacted Medrano and requested the return of her funds numerous times, however Medrano continuously provided Ms. Rosario with excuses and failed to return any of her funds to her in a timely fashion; and

56. On or about December 22, 2016, Medrano provided Ms. Rosario with \$1,900 in cash as well as Wells Fargo Bank check #1035 from Mi Columbia Restaurant in the amount of \$575, made payable to Juri Rosario, in repayment of the above-described security deposit monies for the rental of 242 3<sup>rd</sup> Street and/or 119 Sussex Street; and

57. On or about December 22, 2016, Ms. Rosario attempted to deposit check #1035, however the check was returned for insufficient funds; and

58. Upon information and belief, Medrano never returned the balance of Ms. Rosario's funds to her; and

59. Medrano's conduct caused Juri Rosario and her family grave inconvenience and upon information and belief, jeopardized the continued availability of her Section 8 Benefits; and



## VIOLATIONS

60. Respondent Marcus Medrano's conduct is in violation of N.J.S.A. 45:15-1 and 3 in that Medrano engaged in real estate activity which requires a license during time periods in which his license was in "Inactive" status, during which he was not licensed through a New Jersey real estate broker and therefore not authorized or licensed to engage in the real estate brokerage business, as more fully described above; and

61. Respondent Marcus Medrano's conduct is in violation of N.J.S.A. 45:15-12.8, (five counts), in that Medrano collected funds from consumers, while acting as the temporary custodian of the funds of others in a real estate transaction and failed to immediately deliver said funds to a licensed New Jersey broker for deposit into an escrow or trust account maintained by the broker. Specifically, Medrano engaged in this conduct in connection with consumer security deposit funds concerning purported rental transactions for at least five properties as more fully described above; and

62. Respondent Marcus Medrano's conduct is in violation of N.J.S.A. 45:15-17(a), in that Medrano made substantial misrepresentations consumers in connection with his unlicensed real estate activity. Specifically, Medrano falsely held himself out to the public as a duly licensed New Jersey real estate salesperson, authorized to engage in the real estate brokerage business, through numerous internet advertisements and in connection with each of the transactions more fully described above; and

63. Respondent Marcus Medrano's conduct is in violation of N.J.S.A. 45:15-17(c), in that Medrano pursued a flagrant and continued course of misrepresentation through his internet advertising as well as his conduct in connection with the transactions described above. Specifically, Medrano misrepresented his status as a real estate licensee, authorized to engage in the real estate brokerage business, continuously over a period of at least six months, concerning numerous online advertisements and multiple transactions, as more fully set forth above; and

64. Respondent Marcus Medrano's conduct is in violation of N.J.S.A. 45:15-17(d), in that Medrano failed to pay over moneys belonging to others, which came into Medrano's possession in connection with rental transactions concerning at least five properties, as more fully described above; and

65. Respondent Marcus Medrano's conduct is in violation of N.J.S.A. 45:15-17(e), in that Medrano's conduct, as more fully described above, demonstrates incompetency, dishonesty, bad faith and unworthiness for licensure; and

66. Respondent Marcus Medrano's conduct is in violation of N.J.S.A. 45:15-17(l), in that Medrano's conduct, as described more fully above, constitutes fraud and dishonest dealings; and

67. Respondent Marcus Medrano's conduct is in violation of N.J.S.A. 45:15-17(m), in that Medrano accepted, or attempted to collect, compensation from individuals other than his employing broker; and

68. Respondent Marcus Medrano's conduct is in violation of N.J.S.A. 45:15-17(o), in that Medrano mingled the funds of his clients with his own and failed to maintain a special account, separate and apart from his other personal or business accounts, for all funds received as the temporary guardian of the funds of others in a real estate transaction. More specifically, Medrano engaged in said conduct in connection with rental transactions concerning at least five properties, as more fully described above; and

69. Respondent Marcus Medrano's conduct is in violation of N.J.S.A. 45:15-17(s), in that Medrano failed to notify the Commission of the filing of criminal charges against him within 30 days, as described above; and

70. Respondent Marcus Medrano's conduct is in violation of N.J.A.C. 11:5-6.4(a) in that Medrano failed to protect and promote, as he would his own, the interests of each of the clients and/or principals he undertook to represent; and

71. Respondent Marcus Medrano's conduct is in violation of N.J.A.C. 11:5-6.1(q), (ten counts), in that Medrano placed advertisements on the internet for the rental of ten separate properties, wherein each advertisement stated: "REALTY FEE ONE MONTH" and wherein none of said advertisements included the required statement: "In New Jersey commissions are negotiable." See Exhibit A; and

72. Respondent Marcus Medrano's conduct is in violation of N.J.A.C. 11:5-6.1(r), (ten counts), in that Medrano placed at least ten internet advertisements wherein he misrepresented himself as

an actively licensed New Jersey real estate salesperson, licensed through Robert Michael Realty LLC and authorized to engage in the real estate business in New Jersey, when in fact he was not actively licensed during such times. See Exhibit A.

And for good cause shown,

IT IS on this 10<sup>th</sup> day of May, 2019

ORDERED that Respondent Marco Medrano shall show cause why his real estate license should not be suspended or revoked and/or why fines or other sanctions should not be imposed pursuant to N.J.S.A. 45:15-17 and N.J.A.C. 11:5-1.1. Respondent shall file a written Answer to the charges in this Order to Show Cause as required by N.J.A.C. 11:5-11.2 within twenty (20) days of the service of this Order. As required by N.J.A.C. 11:5-11.2, Respondent's written Answer must include specific admissions or denials of all allegations in this Order to Show Cause, state the factual basis of each and every factual allegation denied, and assert any defenses that Respondent intends to present in the event that this matter is deemed a contested case and a plenary hearing is held; and

IT IS FURTHER ORDERED that failure to comply with all of the requirements of N.J.A.C. 11:5-11.2 may result in a determination that there are no material facts or issues of law in dispute and any presentation made to the Commission will be limited to the issue of the severity of any sanction or penalty to be imposed; and

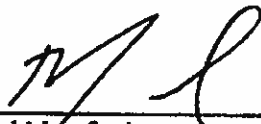
IT IS FURTHER ORDERED that the Commission will review this Order to Show Cause and Answer(s) filed, if any, at a meeting scheduled on or after the 11<sup>th</sup> day of June, 2019 at 9:30 a.m. to determine whether there is a material fact or issue of law contested. No appearance is required at that time; and

IT IS FURTHER ORDERED that if the Commission determines that there is a material fact or issue of law contested, a hearing will be scheduled for a future date; and

IT IS FURTHER ORDERED that if the Commission determines that there is no material fact or issue of law contested, a hearing shall be scheduled at which the Respondent will be limited to presenting

witnesses and documentary evidence regarding the issue of the severity of any sanction or penalty to be imposed; and

IT IS FURTHER ORDERED that a copy of this Order be served upon the Respondent as provided in N.J.S.A. 45:15-18, which service may be accomplished by serving a copy of this Order on the Respondent personally, or by delivering a copy thereof to her last known business address via certified mail.



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Richard Mumford  
Acting Director of Banking  
New Jersey Department of Banking and Insurance  
New Jersey Real Estate Commission