

FILED

December 10, 2012

1 TRULY SUGHRUE, Counsel
2 State Bar No. 223266
3 Department of Real Estate
4 P.O. Box 187007
5 Sacramento, CA 95818-7007

DEPARTMENT OF REAL ESTATE

By *D. Jones*

6 Telephone: (916) 227-0789
7 (916) 227-0781 (Direct)
8
9 Fax: (916) 227-9458

10 BEFORE THE DEPARTMENT OF REAL ESTATE
11 STATE OF CALIFORNIA

12 * * *

13 In the Matter of the Accusation of)
14 JUDY KAY COMBS,) No. H-5924 SAC
15 Respondent.) ACCUSATION

16 The Complainant, TRICIA SOMMERS, a Deputy Real Estate Commissioner of
17 the State of California, for cause of Accusation against JUDY KAY COMBS (Respondent), is
18 informed and alleges as follows:

19 1

20 The Complainant, TRICIA SOMMERS, a Deputy Real Estate Commissioner of
21 the State of California, makes this Accusation in her official capacity.

22 2

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

25 3

26 At all times mentioned, Respondent was and is licensed by the Department
27 individually as a real estate broker.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

4

At all times mentioned, Respondent engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker in the State of California, within the meaning of Section 10131(b) of the Code in the operation and conduct of a property management business with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondent leased or rented and offered to lease or rent, and placed for rent, and solicited listings of places for rent, and solicited for prospective tenants of real property or improvements thereon, and collected rents from real property or improvements thereon.

5

On or about March 21, 2012, through March 22, 2012, an audit was conducted of the records of Respondent. The auditor herein examined the records for the period of January 1, 2011, through February 29, 2012.

6

While acting as a corporate real estate broker as described in Paragraph 4, Respondent accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in connection with the leasing, renting, and collection of rents on real property or improvements thereon, as alleged herein, and thereafter from time to time made disbursements of said trust funds.

7

The trust funds accepted or received by Respondent, as described in Paragraph 6, were deposited or caused to be deposited by Respondent into trust accounts which were maintained by Respondent for the handling of trust funds, and thereafter from time-to-time Respondent made disbursements of said trust funds, identified as follows:

///
///
///

ACCOUNT # 1	
Bank Name and Location:	Tri Counties Bank 789 High Street Auburn, CA 59603
Account No.:	XXXXXX0619
Account Name:	Cattails Inc. DBA Todd's Valley Property Management

8

In the course of the activities described in Paragraph 4, Respondent:

(a) caused, suffered, or permitted the balance of funds in Account #1 to be reduced to an amount which, as of January 27, 2012, was approximately \$623.31 less than the aggregate liability of Account #1 to all owners of such funds, without the prior written consent of each and every owner of such funds, in violation of Section 10145 of the Code and Section 2832.1 of Title 10 of the California Code of Regulations (Regulations);

(b) commingled with its own money or property, the money or property of others which was received or held by Respondent in trust in violation of Section 10176(e) of the Code;

(c) caused, permitted, and/or allowed, the possible withdrawal of trust funds from Account #2 by a person who was not licensed by the Department and not covered by a fidelity bond in violation of Section 2834 of the Regulations;

(d) failed to keep accurate separate records for each beneficiary or transaction, accounting therein for all funds which were deposited into the Account #2, containing all of the information required by Section 2831.1 of the Regulations; and

(e) failed to reconcile the balance of separate beneficiary or transaction records with the control record of trust funds received and disbursed at least once a month, and/or failed to maintain a record of such reconciliations for each account as required by Section 2831.2 of the Regulations.

///

The facts alleged in the above are grounds for the suspension or revocation of Respondent's licenses and license rights under the following sections of the Code and Regulations:

- (1) As to Paragraph 8(a), under Section 10177(d) of the Code in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;
- (2) As to Paragraph 8(b), under Section 10176(e) of the Code;
- (3) As to Paragraph 8(c), under Section 10177(d) of the Code in conjunction with Section 2834 of the Regulations; and
- (4) As to Paragraph 8(d), under Section 10177(d) of the Code in conjunction with Section 2831.1 of the Regulations; and
- (5) As to Paragraph 8(e), under Section 10177(d) of the Code in conjunction with Section 2831.2 of the Regulations.

COST RECOVERY

The acts and/or omissions of Respondent as alleged above, entitle the Department to reimbursement of the costs of its audit pursuant to Section 10148(b) (audit costs for trust fund handling violation) of the Code.

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

///

///

///

///

1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against all licenses and license rights of Respondent under the Code, for the cost of
4 investigation and enforcement as permitted by law, and for such other and further relief as may
5 be proper under the provisions of law.

6
7 
8 TRICIA SOMMERS
9 Deputy Real Estate Commissioner

10 Dated at Sacramento, California,
11 this 3rd day of December, 2012

12
13 DISCOVERY DEMAND

14 Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the Department of
15 Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the
16 *Administrative Procedure Act*. Failure to provide Discovery to the Department of Real Estate
17 may result in the exclusion of witnesses and documents at the hearing or other sanctions that the
18 Office of Administrative Hearings deems appropriate.