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FILED

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BUREAU OF REAL ESTATE

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BEFORE THE
BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)
DIEZ & LEIS REAL ESTATE GROUP, INC.) NO. H-6248 SAC
and RONALD WILLIAM LEIS,) ACCUSATION
Respondents.)

The Complainant, HEATHER NISHIMURA, in her official capacity as a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against DIEZ & LEIS REAL ESTATE GROUP, INC. and RONALD WILLIAM LEIS (collectively "Respondents") is informed and alleges as follows:

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Respondent DIEZ & LEIS REAL ESTATE GROUP INC. ("D&L") is presently licensed by the California Bureau¹ of Real Estate ("the Bureau") and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("the Code"), as a real estate broker corporation, and at all relevant times herein was acting by and through RONALD WILLIAM LEIS as its designated broker officer.

¹ Effective July 1, 2013, the Department of Real Estate has become the Bureau of Real Estate pursuant to the Governor's Reorganization Plan of 2012.

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2 At all times relevant herein, D&L conducted real estate activity under its individual
3 license name, and the fictitious business name "Prudential NorCal Realty" registered with the
4 Bureau.

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6 Respondent RONALD WILLIAM LEIS ("LEIS") is presently licensed by the
7 Bureau and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code, as a
8 real estate broker.

9 4

10 At all times relevant herein, LEIS was licensed by the Bureau as the designated
11 broker officer of D&L. As the designated broker officer, LEIS was responsible, pursuant to
12 Section 10159.2 of the Code, for the supervision of the activities of the officers, agents, real estate
13 licensees and employees of D&L for which a real estate license is required.

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

20 6

21 At all times relevant herein, Respondents engaged in the business of, acted in the
22 capacity of, advertised or assumed to act as a real estate broker within the State of California within
23 the meaning of Section 10131(b) of the Code (Broker Defined – Property Management/Collection
24 of Rent), including the operation and conduct of a property management business with the public,
25 wherein, on behalf of others, for compensation or in expectation of compensation, Respondents
26 leased or rented or offered to lease or rent, and solicited for prospective tenants of real property or
27 improvements thereon, and collected rents from real property or improvements thereon.

FIRST CAUSE OF ACTION
As Against All Respondents

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Each and every allegation in Paragraphs 1 through 6, inclusive, above, is incorporated by this reference as if fully set forth herein.

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On or about March 28, 2014, and continuing intermittently through May 12, 2014, an audit was conducted of Respondents' business activities at Respondents' main office location at 5120 Manzanita Avenue, #120, Carmichael, California, wherein the auditor examined Respondents' records for the period of January 1, 2013 through January 31, 2014 ("the audit period").

9

While acting as a real estate broker as described in Paragraph 6, above, and within the audit period, Respondents accepted or received funds in trust ("trust funds") and deposited or caused the trust funds to be deposited into bank accounts maintained by Respondents, and thereafter, from time-to-time, Respondents made disbursements of said trust funds, identified as follows:

Bank Account #1

Bank Name: Wells Fargo Bank
Account No.: Last 4 Digits: xxxxxx2275
Account Name: "Ronald Leis DBA Prudential NorCal Realty P.M. Operating Account"
Signatories: Ronald Leis, Lena Leis, and Bill Wesley
Purpose: Used for deposits and disbursements related to properties managed by D&L

Bank Account #2

Bank Name: Wells Fargo Bank
Account No.: Last 4 Digits: xxxxxx2309
Account Name: "Ronald Leis DBA Prudential NorCal Realty P.M. Trust Account"
Signatories: Ronald Leis, Lena Leis, and Bill Wesley
Purpose: Used for deposits and disbursements of security deposit funds related to properties managed by D&L

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1 In the course of the real estate broker activities described in Paragraph 6, above, and
2 during the audit period, Respondents:

3 (a) caused, suffered, or permitted the balance of funds in Bank Account #1 to be
4 reduced to an amount which, as of January 31, 2014, was approximately \$70,990.41 less than the
5 aggregate liability of Bank Account #1 to all owners of such funds, without the prior written
6 consent of each and every owner of such funds, in violation of Section 10145 of the Code and
7 Section 2832.1 of Title 10 of the California Code of Regulations (“the Regulations”). The cause of
8 said trust fund shortage was attributed to negative balances of \$46,372.90 in the owner/property
9 accounts, and the remaining \$24,617.51 was unidentified;

10 (b) caused, suffered, or permitted the balance of funds in Bank Account #2 to be
11 reduced to an amount which, as of January 31, 2014, was approximately \$11,722.00 less than the
12 aggregate liability of Bank Account #2 to all owners of such funds, without the prior written
13 consent of each and every owner of such funds, in violation of Section 10145 of the Code and
14 Section 2832.1 of the Regulations. The cause of said trust fund shortage could not be identified;

15 (c) failed to perform and maintain reconciliations of the total of separate
16 beneficiary records with a control record (record of all trust funds received and disbursed) on at
17 least a monthly basis for Bank Account #1, in violation of Section 2831.2 of the Regulations;

18 (d) failed to perform and maintain reconciliations of the total of separate
19 beneficiary records with a control record (record of all trust funds received and disbursed) on at
20 least a monthly basis for Bank Account #2, in violation of Section 2831.2 of the Regulations;

21 (e) deposited trust funds into Bank Account #1 and failed to designate Bank
22 Account #1 as a trust fund account in the name of Respondent D&L or its registered fictitious
23 business name, as trustee, in violation of Section 10145 of the Code and Section 2832 of the
24 Regulations;

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1 (f) deposited trust funds into Bank Account #2 and failed to designate Bank
2 Account #2 as a trust fund account in the name of Respondent D&L or its registered fictitious
3 business name, as trustee, in violation of Section 10145 of the Code and Section 2832 of the
4 Regulations;

5 (g) as of January 31, 2014, allowed Lena Leis and Bill Wesley, individuals who
6 were not licensed by the Bureau in any capacity during the audit period, and who were not covered
7 by a fidelity bond equal to the maximum amount of the trust funds to which they had access, to
8 appear as signatories on Bank Account #1, in violation of Section 2834 of the Regulations;

9 (h) as of January 31, 2014, allowed Lena Leis and Bill Wesley, individuals who
10 were not licensed by the Bureau in any capacity during the audit period, and who were not covered
11 by a fidelity bond equal to the maximum amount of the trust funds to which they had access, to
12 appear as signatories on Bank Account #2, in violation of Section 2834 of the Regulations; and

13 (i) caused, suffered or permitted money of others (trust funds) which were
14 received and held by Respondents in Bank Account #1 to be commingled with Respondents' own
15 money, in violation of Section 10176(e) of the Code and Section 2835 of the Regulations.

16 Specifically, Respondents held broker funds in the amount of \$26,221.77 as of January 31, 2014.

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18 The acts and/or omissions of Respondents as alleged in paragraph 10, above,
19 constitute grounds for the suspension or revocation of all licenses and license rights of Respondents
20 pursuant to the following provisions of the Code and Regulations:

21 As to Paragraph 10(a), under Section 10177(d) and/or 10177(g) of the Code, in
22 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

23 As to Paragraph 10(b), under Section 10177(d) and/or 10177(g) of the Code, in
24 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

25 As to Paragraph 10(c), under Section 10177(d) and/or 10177(g) of the Code, in
26 conjunction with Section 2831.2 of the Regulations;

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1 As to Paragraph 10(d), under Section 10177(d) and/or 10177(g) of the Code, in
2 conjunction with Section 2831.2 of the Regulations;

3 As to Paragraph 10(e), under Section 10177(d) and/or 10177(g) of the Code, in
4 conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

5 As to Paragraph 10(f), under Section 10177(d) and/or 10177(g) of the Code, in
6 conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

7 As to Paragraph 10(g), under Section 10177(d) and/or 10177(g) of the Code, in
8 conjunction with Section 2834 of the Regulations;

9 As to Paragraph 10(h), under Section 10177(d) and/or 10177(g) of the Code, in
10 conjunction with Section 2834 of the Regulations; and

11 As to Paragraph 10(i), under Sections 10176(e), and 10177(d) and/or 10177(g) of
12 the Code, in conjunction with Section 2835 of the Regulations.

13 SECOND CAUSE OF ACTION
14 As Against Respondent LEIS

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16 Each and every allegation in Paragraphs 1 through 11, inclusive, above, is
17 incorporated by this reference as if fully set forth herein.

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19 At all times relevant herein, LEIS, as the designated broker officer of D&L, was
20 required to exercise reasonable supervision and control over the activities of D&L and its
21 employees pursuant to Section 10159.2 of the Code and Section 2725 of the Regulations.

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23 LEIS failed to exercise reasonable supervision over the acts and/or omissions of
24 D&L and its employees in such a manner as to allow the acts and/or omissions as described in
25 Paragraph 10, above, to occur, which constitutes cause for the suspension or revocation of the
26 licenses and license rights of LEIS under Sections 10177(d) and/or 10177(g), and 10177(h) of the
27 Code, in conjunction with Section 10159.2 of the Code and Section 2725 of the Regulations.

1 COST RECOVERY

2 Audit Costs

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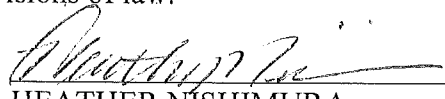
4 The acts and/or omissions of Respondents as alleged in the First Cause of Action,
5 above, entitle the Bureau to reimbursement of the costs of its audit pursuant to Section 10148(b) of
6 the Code.

7 Investigation and Enforcement Costs

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

13 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of
14 this Accusation and that upon proof thereof, a decision be rendered revoking all licenses and license
15 rights of all Respondents named herein under the Real Estate Law, for the cost of investigation and
16 enforcement as permitted by law, for the cost of the audit as permitted by law, and for such other
17 and further relief as may be proper under other provisions of law.

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19 HEATHER NISHIMURA
20 Deputy Real Estate Commissioner

21 Dated at Sacramento, California,
22 this 22nd day of April, 2015.

23 DISCOVERY DEMAND

24 Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the
25 Bureau hereby makes demand for discovery pursuant to the guidelines set forth in the
26 *Administrative Procedure Act*. Failure to provide discovery to the Bureau may result in the
27 exclusion of witnesses and documents at the hearing or other sanctions that the Office of
Administrative Hearings deems appropriate.