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DEPARTMENT OF REAL ESTATE

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of

CORE ONE REAL ESTATE & MANAGEMENT,
INC. and
RICARDO RODRIGUEZ,

Respondents.

No. H-12568 SF

ACCUSATION

The Complainant, STEPHANIE YEE, acting in her official capacity as a
Supervising Special Investigator of the State of California, for cause of Accusation against
Respondents CORE ONE REAL ESTATE & MANAGEMENT, INC. (COREMI) and
RICARDO RODRIGUEZ (RODRIGUEZ), sometimes collectively referred to as Respondents,
is informed and alleges as follows:

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Respondents are presently licensed and/or have license rights under the Real
Estate Law, Part 1 of Division 4 of the Business and Professions Code (Code).

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Effective November 9, 2020, COREMI became licensed by the State of
California Department of Real Estate (Department) as a real estate broker corporation.

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At all times mentioned herein, RODRIGUEZ was and is licensed by the Department individually as a real estate broker, and as the designated broker officer of COREMI. As the designated broker officer, RODRIGUEZ was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of officers, agents, real estate licensees and employees of COREMI for which a real estate license is required to ensure the compliance of the corporation with the Real Estate Law and Regulations.

Whenever reference is made to an allegation in this Accusation to an act or omission of COREMI, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with COREMI committed such acts or omissions while engaged in furtherance of the business or operation of COREMI and while acting within the course and scope of their corporate authority and employment.

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

At all times herein mentioned, Respondents conducted real estate activity through COREMI.

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1 FIRST CAUSE OF ACTION

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

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6 On or about October 2, 2020, and continuing intermittently through March 2,
7 2021, an audit was conducted of the records of COREMI. The auditor examined records for the
8 period of September 1, 2019, through August 31, 2020 (the audit period).

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10 While acting as a real estate broker as described in Paragraph 5, above, and
11 within the audit period, Respondents accepted or received funds in trust (trust funds) from or on
12 behalf of property owners, lessees and others in connection with property management
13 activities, and deposited or caused to be deposited those funds into bank accounts maintained by
14 Respondents, at Wells Fargo Bank, P.O. Box 6995, Portland, Oregon 97228-6995, including but
15 not limited to the following:

16

BANK ACCOUNT #1	
17 Account No.:	XXXXXXX6058
18 Entitled:	CORE ONE REAL ESTATE & MANAGEMENT, INC.

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BANK ACCOUNT #2	
21 Account No.:	XXXXXXX4926
22 Entitled:	CORE ONE REAL ESTATE & MANAGEMENT, INC.

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25 and thereafter from time-to-time made disbursement of said trust funds.

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In the course of the activities described in Paragraph 5, in connection with the collection and disbursement of trust funds, it was determined that:

- (a) An accountability was performed on Bank Account #1, and as of August 31, 2020, a shortage of \$11,258.18 was revealed, in violation of Section 10145 of the Code;
- (b) An accountability was performed on Bank Account #2, and as of August 31, 2020, a shortage of \$1,042.50 was revealed, in violation of Section 10145 of the Code;
- (c) Respondents failed to obtain written permission from owners of trust funds in Bank Account #1 and Bank Account #2 to allow the balance to drop below accountability, in violation of Section 2832.1 of Chapter 6, Title 10, California Code of Regulations (Regulations);
- (d) Respondents transferred trust funds into Respondents' operating account, in violation of Section 10145 (a) of the Code;
- (e) Respondents caused, suffered or permitted funds of others which were received and held by Respondents to be commingled with broker funds in Respondents' operating account, in violation of Section 10176 (e) of the Code and Section 2835 of the Regulations;
- (f) Respondents caused, suffered or permitted funds of others which were received and held by Respondents to be commingled with broker funds in excess of \$200 in Bank Account #1, in violation of Section 10176 (e) of the Code and Section 2835 of the Regulations;
- (g) Respondents failed to properly designate Bank Account #1 and Bank Account #2, as trust accounts with the broker as trustee, as required by Section 10145 of the Code and Section 2832 of the Regulations;

- 1 (h) Respondents allowed persons who were not licensed to be a signatory on trust
2 fund accounts and did not maintain a separate bond, insurance coverage or
3 funds to cover the amount of the deductible of its crime policy, in violation of
4 Section 10145 (a) (2) (C) and Section 2834 of the Regulations;
- 5 (i) Respondents failed to perform and/or maintain records of monthly
6 reconciliations, reconciling the balance of all separate beneficiary or
7 transaction records with the balance of the record of all trust funds received
8 and disbursed for Bank Account #1 and Bank Account #2, in violation of
9 Section 2831.2 of the Regulations; and
- 10 (j) Respondents failed to maintain an accurate separate record of the receipt and
11 disposition of all trust funds deposited in Bank Account #1, in violation of
12 Section 10145 (g) of the Code and Section 2831.1 of the Regulations.

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14 The acts and/or omissions described above constitute violations of Sections
15 2831.1 (Separate Records), 2831.2 (Trust Account Reconciliation), 2832 (Bank Account Not
16 Properly Designated as Trust Account), 2832.1 (Written Permission for Balance Below
17 Accountability), 2834 (Trust Fund Signatories), and 2835 (Commingling) of the Regulations
18 and of Sections 10145 (Trust Fund Handling) and 10176 (e) (Commingling), and are grounds
19 for discipline under Sections 10176 (e), 10177(d) (Willful Disregard of Real Estate Laws)
20 and/or 10177(g) (Negligence/Incompetence Licensee) of the Code.

21 SECOND CAUSE OF ACTION

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

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26 During the audit it was discovered Respondents had been conducting property
27 management activities by COREMI prior to being licensed by the Department as a real estate

broker corporation. RODRIGUEZ indicated property management activities have been conducted under COREMI since October 2017.

14

In the course of activities described in Paragraph 5, Respondents, negotiated and signed lease agreements, listing COREMI as the Real Estate Broker, including, but not limited to the following:

Date	Tenant	Property Location
1/30/2019	Laura L.	3757 Oxford Common, Fremont
7/21/2019	Wendy L.R.	3301 ½ Chestnut Street, Oakland

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In the course of activities described in Paragraph 5, Respondents, negotiated and signed property management agreements, listing COREMI as the Broker, including, but not limited to the following:

Date	Owner	Property Location
10/27/2018	Coastal Range Group LLC/Milo S. and Thuy S.	3303 Chestnut Street, Oakland
1/20/2019	Manpreet D. and Amrita B.	3757 Oxford Common, Fremont
12/10/2019	Francisco L. TR	2350 International Blvd, Oakland

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The acts and or omissions described above constitute a violation of Section 10130 (Unlicensed Activity) of the Code, and are grounds for discipline under Sections 10177 (d) and 10177 (g) of the Code.

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1 THIRD CAUSE OF ACTION

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

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6 Respondent RODRIGUEZ failed to exercise reasonable supervision and control
7 over the property management activities of COREMI. In particular, RODRIGUEZ permitted,
8 ratified and/or caused the conduct described above to occur, and failed to take reasonable steps,
9 including but not limited to, the handling of trust funds, supervision of employees, and the
10 implementation of policies, rules and systems to ensure the compliance of the business with the
11 Real Estate Law and the Regulations.

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13 The above acts and/or omissions of RODRIGUEZ violate Section 2725 (Broker
14 Supervision) of the Regulations and Section 10159.2 (Responsibility/Designated Officer) of the
15 Code and constitute grounds for disciplinary action under the provisions of Sections 10177(d),
16 10177(g) and/or 10177(h) (Broker Supervision) of the Code.

17 COST RECOVERY

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19 Audit Costs

20 The acts and/or omissions of Respondents, as alleged above, entitle the
21 Department to reimbursement of the costs of its audits pursuant to Section 10148(b) (Audit Costs
22 for Trust Fund Handling Violations) of the Code.

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24 Costs of Investigation and Enforcement

25 Section 10106 of the Code provides, in pertinent part, that in any order issued in
26 resolution of a disciplinary proceeding before the Department, the commissioner may request the

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1 administrative law judge to direct a licensee found to have committed a violation of this part to
2 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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

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11 STEPHANIE YEE
12 Supervising Special Investigator

13 Dated at Oakland, California,
14 this 1st day of October, 2021.

15 DISCOVERY DEMAND

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