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**FILED**

SEP 20 2012

DEPARTMENT OF REAL ESTATE  
By R. Mar

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of )  
12 ) NO. H-2780 FR  
13 AJR MANAGEMENT and )  
14 JOHN W. AHL, JR., ) ACCUSATION  
15 Respondents. )  
\_\_\_\_\_ )

16 The Complainant, BRENDA SMITH, in her official capacity as a Deputy Real Estate  
17 Commissioner of the State of California, for cause of Accusation against AJR MANAGEMENT  
18 and JOHN W. AHL, JR., (collectively referred to herein as "Respondents"), is informed and alleges  
19 as follows:

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21 AJR MANAGEMENT (hereinafter "AJRM"), is presently licensed by the  
22 Department of Real Estate (hereinafter "the Department") and/or has license rights under the Real  
23 Estate Law, Part 1 of Division 4 of the Business and Professions Code (hereinafter "the Code"), as a  
24 corporate real estate broker. At all times relevant herein, AJRM was acting by and through JOHN  
25 W. AHL, JR., as its designated officer broker.

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At all times relevant herein, AJRM conducted business under its own licensed name and the registered fictitious business name "AJR Real Estate & Financial Services" associated with AJRM's corporate real estate broker license.

JOHN W. AHL, JR., (hereinafter "AHL"), is presently licensed by the Department and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code, as a real estate broker.

At all times relevant herein, AHL was licensed by the Department as the designated officer broker of AJRM. As the designated officer broker, AHL was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of the officers, agents, real estate licensees and employees of AJRM for which a real estate license is required.

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

FIRST CAUSE OF ACTION  
As Against Respondents AJRM and AHL

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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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Beginning on or about February 15, 2012, and continuing intermittently until May 10, 2012, an audit was conducted at Respondent's office in Fresno, California and at the Department's Fresno District Office location, wherein the Auditor examined Respondents' records for the period of June 1, 2011 through April 1, 2012 (hereinafter "the audit period").

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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 (hereinafter "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.

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The trust funds accepted or received by Respondents as described in Paragraph 9, above, were deposited or caused to be deposited by Respondents into bank and trust accounts maintained by Respondents for the handling of trust funds, and thereafter from time-to-time Respondents made disbursements of said trust funds, identified as follows:

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<b>BANK ACCOUNT # 1</b>	
Bank Name and Location:	Bank of America, 8971 North Cedar Ave., Fresno, CA 93720
Account No. Last 4 Digits:	0029
Entitled:	"AJR Management DBA: AJR Real Estate & Financial Services"
Signatories:	John W. Ahl, Jr. (REB/DO) Robyn Ahl (Unlicensed)

<b>TRUST ACCOUNT # 1</b>	
Bank Name and Location:	Citizens Business Bank, 7110 North First St., Fresno, CA 93720
Account No. Last 4 Digits:	8084
Entitled:	"AJR Management DBA: AJR Real Estate & Financial Services Trust Account"
Signatories:	John W. Ahl, Jr. (REB/DO)

<b>TRUST ACCOUNT # 2</b>	
Bank Name and Location:	Citizens Business Bank, 7110 North First St., Fresno, CA 93720
Account No. Last 4 Digits:	8130
Entitled:	"AJR Management DBA: AJR Real Estate & Financial Services Trust Account"
Signatories:	John W. Ahl, Jr. (REB/DO)

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In the course of the activities described in Paragraph 6, above, and within the audit period, Respondents:

(a) caused, suffered, or permitted the balance of funds in Bank Account #1 to be reduced to an amount which, as of March 30, 2012, was \$160,000.00 less than the aggregate liability of Bank Account #1 to all owners of such funds, without the prior written consent of each and every owner of such funds, in violation of Sections 10145 (trust fund handling) of the Code and

1 Section 2832.1 (written permission from account beneficiaries required for shortage) of Title 10 of  
2 the California Code of Regulations ("the Regulations");

3 (b) caused, suffered or permitted money of others, trust funds, which were  
4 received and held by Respondents in Bank Account #1 to be commingled with Respondents' own  
5 money, in violation of Section 10176(e) (grounds for discipline - commingling of trust funds with  
6 broker funds) of the Code and Section 2835 (commingling prohibited) of the Regulations;

7 (c) deposited trust funds into Bank Account #1, and failed to properly designate  
8 Bank Account #1 as a trust account in the name of Respondent AJRM or its fictitious business  
9 name, as trustee, in violation of Section 10145 (trust fund handling) of the Code and Section 2832  
10 (designation of trust accounts) of the Regulations;

11 (d) failed to maintain or keep accurate separate beneficiary records for Bank  
12 Account #1 and Trust Account #1, as required by Sections 10145(g) (trust fund handling-separate  
13 beneficiary records required) and 10148 (required to maintain trust records) of the Code, and  
14 Section 2831.1 (separate beneficiary records required) of the Regulations; and,

15 (e) failed to perform and/or maintain accurate records of the reconciliation of the  
16 sum of the separate beneficiary records to the records of all trust funds received and disbursed  
17 (control records) on at least a monthly basis for Bank Account #1, Trust Account #1, and Trust  
18 Account #2, in violation of Section 2831.2 (monthly trust account reconciliations required) of the  
19 Regulations.

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21 The acts and/or omissions of Respondents as alleged in Paragraph 11, above,  
22 constitute grounds for the suspension or revocation of all licenses and license rights of Respondents  
23 pursuant to the following provisions of the Code and Regulations:

24 As to Paragraph 11(a), under Section 10177(d) (willful disregard or violation of  
25 Real Estate Law) and/or 10177(g) (negligence or incompetence in performing licensed act) of the  
26 Code in conjunction with Section 10145 (trust fund handling) of the Code and Section 2832.1  
27 (written permission from account beneficiaries required for shortage) of the Regulations;

1 As to Paragraph 11(b), under Section 10177(d) (willful disregard or violation of  
2 Real Estate Law) and/or 10177(g) (negligence or incompetence in performing licensed act) of the  
3 Code and Section 10176(e) (grounds for discipline-commingling of trust funds with broker funds)  
4 of the Code, in conjunction with Section 2835 (commingling prohibited) of the Regulations;

5 As to Paragraph 11(c), under Section 10177(d) (willful disregard or violation of  
6 Real Estate Law) and/or 10177(g) (negligence or incompetence in performing licensed act) of the  
7 Code in conjunction with Section 10145 (trust fund handling) of the Code and Section 2832  
8 (designation of trust accounts) of the Regulations;

9 As to Paragraph 11(d), under Section 10177(d) (willful disregard or violation of  
10 Real Estate Law) and/or 10177(g) (negligence or incompetence in performing licensed act) of the  
11 Code in conjunction with Sections 10145(g) (trust fund handling-separate beneficiary records  
12 required) and 10148 (required to maintain trust records) of the Code, and Section 2831.1 (separate  
13 beneficiary records required) of the Regulations; and,

14 As to Paragraph 11(e), under Section 10177(d) (willful disregard or violation of  
15 Real Estate Law) and/or 10177(g) (negligence or incompetence in performing licensed act) of the  
16 Code in conjunction with Section 2831.2 (monthly trust account reconciliations required) of the  
17 Regulations.

18 SECOND CAUSE OF ACTION  
19 As Against Respondent AHL

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21 Each and every allegation in Paragraphs 1 through 12, inclusive, above, is  
22 incorporated by this reference as if fully set forth herein.

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24 At all times relevant herein, Respondent AHL, as the designated officer broker of  
25 AJRM, was required to exercise reasonable supervision and control over the activities of AJRM and  
26 its employees pursuant to Section 10159.2 (reasonable supervision by designated officer) of the  
27 Code and Section 2725 (reasonable supervision by broker) of the Regulations.

Respondent AHL failed to exercise reasonable supervision over the acts and/or omissions of AJRM and its employees in such a manner as to allow the acts and/or omissions as described in Paragraph 11, above, to occur, which constitutes cause for the suspension or revocation of the licenses and license rights of Respondent AHL under Sections 10177(d) (willful disregard or violation of Real Estate Law) and/or 10177(g) (negligence or incompetence in performing licensed act) of the Code, and Section 10177(h) (failure to exercise reasonable supervision) of the Code, in conjunction with Section 10159.2 (reasonable supervision by designated officer) of the Code and Section 2725 (reasonable supervision by broker) of the Regulations.

#### COST RECOVERY

The acts and/or omissions of Respondents as alleged in Paragraph 11, 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.

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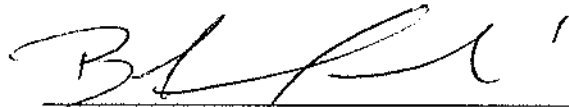
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1           WHEREFORE, Complainant prays that a hearing be conducted on the allegations of  
2 this Accusation and that upon proof thereof, a decision be rendered revoking all licenses and license  
3 rights of all Respondents named herein under the Real Estate Law (Part 1 of Division 4 of the  
4 Business and Professions Code), for the cost of investigation and enforcement as permitted by law,  
5 for the cost of the audit as permitted by law, and for such other and further relief as may be proper  
6 under the provisions of law.

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9           BRENDA SMITH  
10          Deputy Real Estate Commissioner

11       Dated at Fresno, California,  
12       this 24 day of September, 2012.