

FILED

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BUREAU OF REAL ESTATE

By Norma Sims

JAMES DEMUS, Counsel (SBN 225005)
Bureau of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6982
(Direct) (213) 576-6910

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

No. H- 02845 FR

ATCO PROPERTY MANAGEMENT INC and
SAM D. CAUSEY, individually, and a
designated officer of ATCO
Property Management Inc,

A C C U S A T I O N

Respondents.

The Complainant, Brenda Smith, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against ATCO PROPERTY MANAGEMENT INC and SAM D. CAUSEY,
individually, and as designated officer of ATCO Property
Management Inc, alleges as follows:

1.

The Complainant, Brenda Smith, acting in her official
capacity as a Deputy Real Estate Commissioner of the State of
California, makes this Accusation against ATCO PROPERTY
MANAGEMENT INC and SAM D. CAUSEY.

///

1 2.

2 All references to the "Code" are to the California
3 Business and Professions Code and all references to "Regulations"
4 are to Title 10, Chapter 6, California Code of Regulations.

5 LICENSE HISTORY

6 3.

7 A. At all times mentioned, ATCO PROPERTY MANAGEMENT
8 INC. ("ATCO") was licensed and/or had license rights issued by
9 the Bureau of Real Estate ("Bureau") as a corporate real estate
10 broker. ATCO was originally licensed as a corporate real estate
11 broker on May 1, 2004.

12 B. At all times mentioned, SAM D. CAUSEY ("CAUSEY")
13 was licensed and/or had license rights issued by the Bureau as a
14 real estate broker. CAUSEY was originally licensed as a real
15 estate broker on December 8, 2005.

16 C. From May 31, 2011, through the present, ATCO has
17 been licensed by the Bureau as a corporate real estate broker by
18 and through CAUSEY, as the designated officer and broker
19 responsible, pursuant to Code Section 10159.2 for supervising the
20 activities requiring a real estate license conducted on behalf of
21 ATCO, or by ATCO's officers, agents and employees.

22
23 BROKERAGE

24 ATCO PROPERTY MANAGEMENT INC.

25 4.

26 At all times mentioned, in the City of Bakersfield,
27 County of Kern, ATCO and CAUSEY acted as real estate brokers,

1 conducting licensed activities within the meaning of Code Section
2 10131(b): leasing or renting real property for others.

3 AUDIT

4 ATCO PROPERTY MANAGEMENT INC.

5 5.

6 On June 6, 2013, the Bureau (then the "Department of
7 Real Estate") completed an audit examination of the books and
8 records of ATCO pertaining to the activities described in
9 Paragraph 4 which require a real estate license. The audit
10 examination covered a period of time from January 1, 2012 to
11 December 1, 2012. The audit examinations revealed violations of
12 the Code and the Regulations as set forth in the following
13 paragraphs, and as more fully discussed in Audit Report FR120015
14 and the exhibits and workpapers attached to said audit report.

15 VIOLATIONS OF THE REAL ESTATE LAW

16 6.

17 In the course of activities described in Paragraph 4
18 above and during the examination period described in Paragraph 5,
19 Respondents ATCO and CAUSEY acted in violation of the Code and
20 the Regulations in that:

21 (a) The trust account ATCO used for its property
22 management activities had shortages of \$70,534.68 on September
23 30, 2012, \$71,086.29 on October 31, 2012, and \$78,776.24 on
24 November 30, 2012. Respondents did not obtain written consent
25 from the owners of the trust fund to reduce the balance below the
26 aggregate trust fund liability, in violation of Code Section
27 10145 and Regulation 2832.1.

1 (b) ATCO did not accurately reconcile the balance of
2 all separate beneficiary records with the record of all trust
3 funds received and disbursed, in violation of Code Section 10145
4 and Regulation 2831.2.

5 7.

6 The foregoing violations constitute cause for the
7 suspension or revocation of the real estate license and license
8 rights of ATCO and CAUSEY, under the provisions of Code Sections
9 10177(d) and/or 10177(g).

10 SUPERVISION AND COMPLIANCE

11 8.

12 On June 1, 2011, CUASEY (indentified as "Broker")
13 signed an "Idemnity Agreement": with ATCO which stated, among
14 other things:

15 "It is the understanding of the parties here to that
16 Broker shall not be responsible for the day-to-day
17 operations of ATCO, and shall not be vested with any
control or input authority regarding management
decisions."

18 CAUSEY confirmed that his arrangement in a December 19, 2012
19 interview with the Department of Real Estate. The conduct of
20 Respondent CAUSEY constituted a failure on his part, as an
21 officer designated by a corporate broker licensee, to exercise
22 reasonable supervision and control over the licensed activities
23 of ATCO as required by Code Section 10159.2, and to keep ATCO in
24 compliance with the Real Estate Law, and is cause for the
25 suspension or revocation of the real estate license and license
26 rights of CAUSEY pursuant to the provisions of Code Sections
27

1 10177(d), 10177(g) and 10177(h).

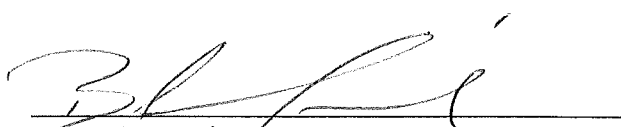
2 9.

3 Code Section 10106, provides, in pertinent part, that
4 in any order issued in resolution of a disciplinary proceeding
5 before the Bureau, the Commissioner may request the
6 administrative law judge to direct a licensee found to have
7 committed a violation of this part to pay a sum not to exceed the
8 reasonable costs of the investigation and enforcement of the
9 case.

10 WHEREFORE, Complainant prays that a hearing be
11 conducted on the allegations of this Accusation and that upon
12 proof thereof, a decision be rendered imposing disciplinary
13 action against all licenses and license rights of Respondents
14 ATCO PROPERTY MANAGEMENT INC. and SAM D. CAUSEY, individually,
15 and as designated officer of ATCO Property Management Inc., under
16 the Real Estate Law, that Complainant be awarded its costs of
17 investigation and prosecution of this case, and for such other
18 and further relief as may be proper under the provisions of law.

19 Dated at Los Angeles, California
20

21 this 25 day of October, 2013
22

23 
24 Brenda Smith
25 Deputy Real Estate Commissioner
26
27

1 cc: ATCO PROPERTY MANAGEMENT INC.
2 SAM D. CAUSEY
3 Brenda Smith
4 Sacto
5 Audits
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