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**FILED**

MAR 24 2016

BUREAU OF REAL ESTATE

By B. Nicholas

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

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11 In the Matter of the Accusation of )

12 ALV PROPERTY MANAGEMENT, INC., and )  
13 ADRIAN SUZAN HARRELL, )

14 Respondents. )

CalBre No. H- 3006 FR

ACCUSATION

15 The Complainant, BRENDA SMITH, a Supervising Special Investigator of the  
16 State of California, for cause of Accusation against ALV PROPERTY MANAGEMENT, INC.,  
17 and ADRIAN SUZAN HARRELL (collectively "Respondents"), is informed and alleges as  
18 follows:

19 PRELIMINARY ALLEGATIONS

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21 The Complainant, BRENDA SMITH, a Supervising Special Investigator of the  
22 State of California, makes this Accusation in her official capacity.

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

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2 At all times mentioned through May 9, 2015, Respondent ALV PROPERTY  
3 MANAGEMENT, INC. (ALV) was and is licensed by the State of California Bureau of Real  
4 Estate (Bureau) as a real estate broker corporation.

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6 At all times mentioned, Respondent ADRIAN SUZAN HARRELL (HARRELL)  
7 was and is licensed by the Bureau individually as a real estate broker. At all times mentioned  
8 from on or about May 10, 2011, through October 8, 2014, HARRELL was licensed by the  
9 Bureau as the designated broker officer of ALV. As said designated broker officer, HARRELL  
10 was responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of  
11 the officers, agents, real estate licensees, and employees of ALV for which a license is required.

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

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

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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 7, 2014, and continuing intermittently through  
7 October 20, 2014, an audit was conducted of the records of K&K. The auditor herein examined  
8 the records for the period of July 1, 2013, through August 31, 2014.

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10 While acting as a real estate broker as described in Paragraph 6, Respondents  
11 accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in  
12 connection with the leasing, renting, and collection of rents on real property or improvements  
13 thereon, as alleged herein, and thereafter from time to time made disbursements of said trust  
14 funds.

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

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BANK ACCOUNT # 1	
21 Bank Name and Location:	F&M Bank 2340 Geer Road Turlock, CA 95382
22 Account No.:	XXXXXX4701
23 Entitled:	ALV Property Management Inc.

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TRUST ACCOUNT # 1	
Bank Name and Location:	F&M Bank 2340 Geer Road Turlock, CA 95382
Account No.:	XXXXXX801
Entitled:	ALV Property Management Inc.

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In the course of the activities described in Paragraph 6, Respondents:

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

(b) failed to deposit trust funds into one or more trust funds accounts in the name of ALV as trustee at a bank or other financial institution, in conformance with Section 10145 of the Code and Section 2832 of the Title 10 of the California Code of Regulations (Regulations);

(c) failed to keep accurate separate records for each beneficiary or transaction, accounting therein for all funds which were deposited into Bank Account #1 and Trust Account #1 containing all of the information required by Section 2831.1 of the Regulations;

(d) 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; and

(e) caused, permitted, and/or allowed, the possible withdrawal of trust funds from Account #1 by a person who was not licensed by the Bureau and not covered by a fidelity bond in violation of Section 2834 of the Regulations.

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The facts alleged in the First Cause of Action are grounds for the suspension or revocation of Respondents' licenses and license rights under the following sections of the Code and Regulations:

As to Paragraph 11(a), under Section 10176(e) of the Code;

As to Paragraph 11(b), under Sections 10177(d) and/or 10177(g) of the Code in conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

As to Paragraph 11(c), under Sections 10177(d) and/or 10177(g) of the Code in conjunction with Section 2831.1 of the Regulations;

As to Paragraph 11(d), under Sections 10177(d) and/or 10177(g) of the Code in conjunction with Section 2831.2 of the Regulations; and

As to Paragraph 11(e), under Sections 10177(d) and/or 10177(g) of the Code in conjunction with Section 2834 of the Regulations.

SECOND CAUSE OF ACTION

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

Respondent HARRELL failed to exercise reasonable supervision over the acts of ALV in such a manner as to allow the acts and events described above to occur.

The acts and/or omissions of HARRELL as described in Paragraph 14, constitutes failure on the part of HARRELL, as designated broker-officer for ALV, to exercise reasonable supervision and control over the licensed activities of ALV as required by Section 10159.2 of the Code and Section 2725 of the Regulations.

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The facts described above as to the Second Cause of Action constitute cause for the suspension or revocation of the licenses and license rights of Respondent HARRELL under Section 10177(g) and/or Section 10177(h) of the Code, and Section 10159.2 of the Code in conjunction with Section 10177(d) of the Code.

COST RECOVERY

The acts and/or omissions of Respondents as alleged above, entitle the Bureau 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 Bureau, 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.

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

  
BREND A SMITH  
Supervising Special Investigator

Dated at Sacramento, California,  
this 18 day of March, 2016

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DISCOVERY DEMAND

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