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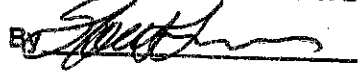
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FILED

SEP 23 2016

BUREAU OF REAL ESTATE

By 

8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of 12 MOXIE PROPERTY MANAGEMENT, 13 INCORPORATED; and LOIS 14 LORRINE HUGHES, individually and 15 as former Designated Officer Of Moxie 16 Property Management, Incorporated, Respondents.	}	No. H-03050 FR <u>ACCUSATION</u>
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18 The Complainant, Brenda Smith, a Supervising Special Investigator of the State
19 of California, acting in her official capacity for cause of Accusation against MOXIE
20 PROPERTY MANAGEMENT, INCORPORATED and LOIS LORRINE HUGHES,
21 individually and as former Designated Officer of Moxie Property Management, Incorporated,
22 is informed and alleges as follows:

23 1.

24 All references to the "Code" are to the California Business and Professions
25 Code, all references to the "Real Estate Law" are to Part 1 of Division 4 of the Code, and all
26 references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

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2.

Respondent MOXIE PROPERTY MANAGEMENT, INCORPORATED (“MPMI”) is presently licensed or has license rights under the Real Estate Law as a corporate real estate broker. Respondent was originally licensed as a corporate real estate broker by the Bureau of Real Estate (“Bureau”) on or about August 8, 2013, with Respondent LOIS LORRINE HUGHES (“HUGHES”) as its Designated Officer. Effective January 26, 2016, Respondent HUGHES had cancelled her designated officer position with MPMI. Respondent MPMI’s corporate real estate broker license is due to expire on August 7, 2017.

3.

Respondent HUGHES is licensed by the Bureau as a real estate broker. Respondent HUGHES was originally licensed as a real estate salesperson on March 23, 1978, and as a real estate broker on March 23, 1990. Respondent’s real estate broker license is due to expire on March 22, 2018.

4.

At all times mentioned, in the County of San Luis Obispo, California, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers within the meaning of Code Section 10131(b). Their activities included soliciting listings of places for rent, soliciting for prospective tenants, and/or management of residential rental real property for and on behalf of others for compensation.

FIRST CAUSE OF ACCUSATION

(Audit of MPMI)

5.

On March 29, 2016, the Bureau completed an audit examination of the books and records of Respondent MPMI, with regard to the real estate activities described in paragraph 4, above. The audit examination covered the period of time from November 1, 2014, to October 31, 2015. The primary purpose of the examination was to determine Respondents’ compliance with the Real Estate Law. The audit examination revealed numerous violations of

1 the Code and the Regulations as set forth in the following paragraphs, and more fully discussed
2 in Audit Report FR-15-0011(PM) and the exhibits and work papers attached to said audit
3 report.

4 Bank and Trust Accounts

5 6.

6 At all times herein relevant, in connection with the activities described in
7 Paragraph 4, above, Respondents accepted or received funds, including funds to be held in trust
8 (hereinafter "trust funds"), from or on behalf of actual or prospective parties in connection with
9 real property management activities. Thereafter Respondents made deposits of such trust funds
10 into a single multi-beneficiary trust account for disbursement to the various owners of those funds.
11 From time to time during the audit period, said trust funds were deposited and/or maintained in
12 the following bank account:

13 Moxie Property Management Inc. Clients' Trust Account
14 Pride Property Management
15 Account No. XXXXX885 (Redacted for security)
16 Union Bank
17 Los Angeles, CA

18 (Trust Account #1)

19 Violations

20 7.

21 With respect to the licensed activities referred to in Paragraph 4, and the audit
22 examination including the exhibits and work papers referenced in Paragraph 5, it is alleged that
23 Respondents:

24 (a) Permitted, allowed or caused the disbursement of trust funds from Trust
25 Account #1 to fall to an amount which, as of August 31, 2015, was between \$179,901.06 and
26 \$259,379.94 less than the existing aggregate trust fund liability to the owners of said funds,
27 without first obtaining the prior written consent of the owners of said funds in violation of Code
Section 10145 and Regulation 2832.1;

1 (b) Failed to perform a monthly reconciliation of the separate record to the
2 control record of trust funds handled in violation of Code Section 10145 and Regulation
3 2831.2; and

4 (c) Allowed unlicensed and underbonded owner Krystyna Amaral to be a
5 signor on a bank account holding trust funds, Trust Account #1, in violation of Code Section
6 10145 and Regulation 2834;

7 8.

8 The conduct of Respondents described in Paragraph 7, above, violated the Code
9 and the Regulations as set forth below:

10 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
11 7(a)	Code Section 10145 12 Regulation 2832.1
14 7(b)	Code Section 10145 15 Regulation 2831.2
17 7(c)	Code Section 10145 18 Regulation 2834

19
20 Each of the foregoing violations constitute cause for the suspension or
21 revocation of the real estate license and license rights of Respondents under the provisions of
22 Code Sections 10177(d) and/or 10177(g).

23 9.

24 Code Section 10148(b) provides, in pertinent part, that the Real Estate
25 Commissioner shall charge a real estate broker for the cost of any audit if the Commissioner
26 has found in a final decision, following a disciplinary hearing, that the broker has violated Code
27 Section 10145 or a Regulation or rule of the Commissioner interpreting said Code section.

