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² Bureau of Real Estate 320 West 4th Street, Ste. 350	
Los Angeles, California 90013, 1105	c n
³ [Los Aligeres, California 90013-1105] • 4 [Telephone: (213) 576-6982	
Direct: (213) 576-6940 SEP 2 3	2016
BUREAU OF REA	L ESTATE
6 Bo Muth	<u> </u>
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8 BEFORE THE BUREAU OF REAL ESTATE	
9 STATE OF CALIFORNIA	
10	
11 In the Matter of the Accusation of Q No. H-03050 FR	
$12 \qquad MOXIE PROPERTY MANAGEMENT, \qquad ACCUSATION$	
¹³ INCORPORATED; and LOIS LORRINE HUGHES, individually and	
as former Designated Officer Of Moxie) Property Management, Incorporated,	
16 Respondents.	
17	
18 The Complainant, Brenda Smith, a Supervising Special Inves	tigator of the State
19 of California, acting in her official capacity for cause of Accusation against 1	MOXIE
20 PROPERTY MANAGEMENT, INCORPORATED and LOIS LORRINE H	UGHES,
21 individually and as former Designated Officer of Moxie Property Manageme	ent, Incorporated,
22 is informed and alleges as follows:	
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²⁴ All references to the "Code" are to the California Business an	d Professions
²⁵ Code, all references to the "Real Estate Law" are to Part 1 of Division 4 of the	he Code, and all
²⁶ references to "Regulations" are to Title 10, Chapter 6, California Code of Re	egulations.
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ACCUSATION AGAINST MOXIE PROPERTY MANAGEMENT, IN	UURPURATED, et. al.

1	2.
2	Respondent MOXIE PROPERTY MANAGEMENT, INCORPORATED
3	("MPMI") is presently licensed or has license rights under the Real Estate Law as a corporate
4	real estate broker. Respondent was originally licensed as a corporate real estate broker by the
5	Bureau of Real Estate ("Bureau") on or about August 8, 2013, with Respondent LOIS
6	LORRINE HUGHES ("HUGHES") as its Designated Officer. Effective January 26, 2016,
7	Respondent HUGHES had cancelled her designated officer position with MPMI. Respondent
8	MPMI's corporate real estate broker license is due to expire on August 7, 2017.
9	3.
10	Respondent HUGHES is licensed by the Bureau as a real estate broker.
11	Respondent HUGHES was originally licensed as a real estate salesperson on March 23, 1978,
12	and as a real estate broker on March 23, 1990. Respondent's real estate broker license is due to
13	expire on March 22, 2018.
14	4.
15	At all times mentioned, in the County of San Luis Obispo, California,
16	Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act
17	as real estate brokers within the meaning of Code Section 10131(b). Their activities included
18	
19	soliciting listings of places for rent, soliciting for prospective tenants, and/or management of
20	residential rental real property for and on behalf of others for compensation.
	FIRST CAUSE OF ACCUSATION
21	(Audit of MPMI)
22	5.
23	On March 29, 2016, the Bureau completed an audit examination of the books
24	and records of Respondent MPMI, with regard to the real estate activities described in
25	paragraph 4, above. The audit examination covered the period of time from November 1, 2014,
2.6	to October 31, 2015. The primary purpose of the examination was to determine Respondents'
27	compliance with the Real Estate Law. The audit examination revealed numerous violations of
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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 disbursal 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 Account No. XXXXX885 (Redacted for security)
15	Union Bank Los Angeles, CA
16	
17	(<u>Trust Account #1</u>)
18	Violations
19	7.
20	With respect to the licensed activities referred to in Paragraph 4, and the audit
21	examination including the exhibits and work papers referenced in Paragraph 5, it is alleged that
22	Respondents:
23	(a) Permitted, allowed or caused the disbursement of trust funds from Trust
24	Account #1 to fall to an amount which, as of August 31, 2015, was between \$179,901.06 and
25	\$259,379.94 less than the existing aggregate trust fund liability to the owners of said funds,
26	without first obtaining the prior written consent of the owners of said funds in violation of Code
27	Section 10145 and Regulation 2832.1;
	- 3 - ACCUSATION AGAINST MOXIE PROPERTY MANAGEMENT, INCORPORATED, et. al.

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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	PARAGRAPH PROVISIONS VIOLATED
11	7(a) Code Section 10145
12	Regulation 2832.1
13	
14	7(b) Code Section 10145
15	Regulation 2831.2
16	
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.
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1	SECOND CAUSE OF ACCUSATION
2	(Failure of Broker to Supervise – HUGHES)
3	10.
4	Based on the conduct alleged in paragraph 7, above, Respondent HUGHES
5	failed to exercise reasonable supervision over the activities of MPMI to ensure compliance with
6	the Real Estate Laws and the Commissioner's Regulations in violation of Code Sections
7	10159.2, 10177(h), and 10177(g), and Regulation 2725.
8	11.
9	The conduct, acts and omissions of Respondent HUGHES as set forth in
10	paragraph 10, above, are cause for the suspension or revocation of the licenses and license
11	rights of Respondent HUGHES pursuant to Code Sections 10177(d), 10177(g), and/or
12	10177(h).
13	12.
14	California Business and Professions Code Section 10106 provides, in pertinent
15	part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, the
16	Commissioner may request the administrative law judge to direct a licensee found to have
17	committed a violation of this part to pay a sum not to exceed the reasonable costs of
18	investigation and of enforcement of the case.
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ACCUSATION AGAINST MOXIE PROPERTY MANAGEMENT, INCORPORATED, et. al.

1	WHEREFORE, Complainant prays that a hearing be conducted on the
2	allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
3	disciplinary action against the license and license rights of Respondent MOXIE PROPERTY
4	MANAGEMENT, INCORPORATED and LOIS LORRINE HUGHES under the Real Estate
5	Law, for the costs of investigation and enforcement as provided by law, for costs of the audit,
6	and for such other and further relief as may be proper under other applicable provisions of law.
7	Dated at Fresno, California: 8-30-16
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11	Brenda Smith
12	Supervising Special Investigator
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22	cc: Moxie Property Management, Incorporated
23	Lois Lorrine Hughes Brenda Smith
24	Flag Section Audits – Bosco Li
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	ACCUSATION AGAINST MOXIE PROPERTY MANAGEMENT, INCORPORATED, et. al.

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