

FILED

OCT 01 2018

DEPARTMENT OF REAL ESTATE
By X. Knapp

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of:) DRE No. H-3118 FR
GURPREET SINGH,)
Respondent.)

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on August 20, 2018, and the Findings of Fact set forth herein, which are based on one or more of the following: (1) The express admissions of Respondent, GURPREET SINGH ("Respondent"); (2) affidavits; and (3) other evidence.

This Decision revokes a real estate license and/or license rights pursuant to the Real Estate Law, Part I of Division 4, of the Business and Professions Code ("the Code") Sections 10177(d), 10177(g), and 10177(h), in conjunction with Sections 10145, 10176(g), and 10159.2 of the Code, and Sections 2832, 2832.1, and 2834 of Title 10 of the Code of Regulations.

Pursuant to Government Code Section 11521, the California Department of Real Estate ("the Department") may order reconsideration of this Decision on petition of any party. The party seeking reconsideration shall set forth new facts, circumstances, and evidence, or errors in law or analysis, that show(s) grounds and good cause for the Commissioner to reconsider the Decision. If new evidence is presented, the party shall specifically identify the new evidence and explain why it was not previously presented. The Department's power to order reconsideration of this Decision shall expire 30 days after mailing of this Decision, or on the effective date of this Decision, whichever occurs first. The right to reinstatement of a revoked real estate license, or to the reduction of a penalty, is controlled by Section 11522 of the Government Code. A copy of Government Code Sections 11521 and 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

FINDINGS OF FACT

1.

On May 25, 2018, Brenda Smith made the Accusation in her official capacity as a Supervising Special Investigator of the Department. The Accusation, Statement to Respondent, and Notice of Defense were mailed, by certified mail, return receipt requested, to Respondent's last known mailing address on file with the Department on June 07, 2018.

On August 20, 2018, no Notice of Defense having been received or filed herein within the time prescribed by Section 11506 of the Government Code, Respondent's default was entered herein.

2.

At all times mentioned, Respondent was and is licensed by the Department of Real Estate (Department) as a real estate broker.

3.

At all times mentioned herein, Respondent was the designated broker officer of Fresno Property Management, Corp. ("FPMC") from March 27, 2013, until February 8, 2017. As the designated broker officer, Respondent was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of officers, agents, real estate licensees and employees of FPMC for which a real estate license is required to ensure the compliance of the corporation with the Real Estate Law and Regulations.

4.

At all times herein mentioned, Respondent engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers within the State of California within the meaning of Section 10131(b) of the Code, including the operation and conduct of a property management business with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondent leased or rented or offered to lease or rent, or placed for rent, or solicited listings of places for rent, or solicited for prospective tenants, or negotiated the sale, purchase or exchanges of leases on real property, or on a business opportunity, or collected rents from real property, or improvements thereon, or from business opportunities.

5.

On or about November 7, 2016, through November 9, 2016, an audit was conducted at FPMC's office located at 7575 N Del Mar Avenue, Suite 102, Fresno, California, where the auditor examined records for the period of November 1, 2015, through October 31, 2016 (the audit period).

6.

Attached as Exhibit "A" is a true and correct copy of the Accusation filed on June 07, 2018, which is incorporated herein as part of this Decision.

FIRST CAUSE OF ACTION

7.

Each and every allegation in Paragraphs 1 through 6, inclusive, is incorporated by this reference as if fully set forth herein.

8.

While acting as a real estate broker as described, above, and within the audit period, Respondent accepted or received funds in trust (trust funds) from or on behalf of property owners, lessees and others in connection with property management activities, and deposited or caused to be deposited those funds into bank accounts maintained by Respondent, at the following financial institutions:

TRUST ACCOUNT #1	
Bank:	Westamerica Bank, 1172 E Shaw Avenue, Fresno, CA 93710
Account No.:	XXX-XX097-2
Entitled:	FRESNO PROPERTY MANAGEMENT CORP COMMON CLIENT TRUST ACCOUNT

TRUST ACCOUNT #2	
Bank:	Westamerica Bank, 1172 E Shaw Avenue, Fresno, CA 93710
Account No.:	XXX-XX096-4
Entitled:	FRESNO PROPERTY MANAGEMENT CORP COMMON CLIENT TRUST ACCOUNT

TRUST ACCOUNT #3	
Bank:	Westamerica Bank, 1172 E Shaw Avenue, Fresno, CA 93710
Account No.:	XXX-XX378-6
Entitled:	FRESNO PROPERTY MANAGEMENT CORP COMMON CLIENT TRUST ACCOUNT
BANK ACCOUNT #1	

Bank:	Valley Business Bank, 701 W Main Street, Visalia, CA 93291
Account No.:	XXX9122
Entitled:	803 South Demaree LLC

and thereafter from time-to-time made disbursement of said trust funds.

9.

In the course of the activities described in Paragraph 6, in connection with the collection and disbursement of trust funds, it was determined that:

- (a) An accountability was performed on Trust Account #1, and as of October 31, 2016, a shortage of \$2,747.54 was revealed, in violation of Section 10145 of the Code and Section 2832.1 of Chapter 6, Title 10, California Code of Regulations (Regulations);
- (b) Respondents failed to designate Bank Account #1 as a trust account as required by Section 10145 of the Code and Section 2832 of the Regulations;
- (c) Allowed a person who was not licensed and did not have a fidelity bond to be a signatory on Trust Account #1, Trust Account #2, and Trust Account #3, in violation of Section 2834 of the Regulations; and
- (d) Collected and retained compensation, commission, or profit, and failed to disclose the compensation, commission or profit from homeowners in connection with payment for property management maintenance and repair services performed by Fresno Property Maintenance (FPM), a maintenance company that was a subsidiary of FPMC, in violation of Section 10176(g) of the Code. Specifically, Respondents failed to disclose its ownership interest on property management agreements or on any other kind of other disclosures to at least some owner clients about maintenance services provided through FPMC.

10.

The acts and/or omissions described above constitute violations of Sections 2832 (Bank Account Not Property Designated as Trust Account), 2832.1 (Written Permission for Balance Below Accountability), and 2834 (Trust Fund Signatories) of the Regulations, and Sections 10145 (Trust Fund Handling) and 10176 (g) (Secret or Undisclosed Compensation) of the Code, and are grounds for discipline under Sections 10177(d) (Willful Disregard of Real Estate Laws) and/or 10177(g) (Negligence/Incompetence Licensee) of the Code.

SECOND CAUSE OF ACTION

11.

Each and every allegation in Paragraphs 1 through 10, inclusive, is incorporated by this reference as if fully set forth herein.

12.

Respondent failed to exercise reasonable supervision and control over the property management activities of FPMC. In particular, Respondent permitted, ratified and/or caused the conduct described above to occur, and failed to take reasonable steps, including but not limited to, the handling of trust funds, supervision of employees, and the implementation of policies, rules and systems to ensure the compliance of the business with the Real Estate Law and the Regulations.

13.

The above acts and/or omissions of Respondent violate Section 2725 (Broker Supervision) of the Regulations and Section 10159.2 (Responsibility/Designated Officer) of the Code and constitute grounds for disciplinary action under the provisions of Sections 10177(d) and/or 10177(g), and 10177(h) (Broker Supervision) of the Code.

DETERMINATION OF ISSUES

14.

The allegations listed above in the First Cause of Action violate Sections 2832, 2832.1, and 2834 of the Regulations, and Sections 10145 and 10176 (g) of the Code, and are grounds for discipline under Sections 10177(d) and 10177(g) of the Code.

15.

The allegations listed above in the Second Cause of Action violate Section 2725 of the Regulations and Section 10159.2 of the Code and constitute grounds for disciplinary action under the provisions of Sections 10177(d), 10177(g), and 10177(h) of the Code.

16.

The standard of proof applied was clear and convincing evidence to a reasonable certainty.

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ORDER

All licenses and licensing rights of Respondent GURPREET SINGH under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on OCT 22 2018.

DATED: September 19, 2018.

DANIEL J. SANDRI
ACTING REAL ESTATE COMMISSIONER



1 Megan Lee Olsen, Counsel, SBN 272554
2 Bureau of Real Estate
3 P. O. Box 137007
4 Sacramento, CA 95813-7007

5 Telephone: (916) 263-8670
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7 (916) 263-7305 (Direct)

FILED

JUN 07 2018
BUREAU OF REAL ESTATE
By B. A. Oulas

8 **BEFORE THE BUREAU OF REAL ESTATE**
9 **STATE OF CALIFORNIA**

10 * * *

11 In the Matter of the Accusation of

12 **FRESNO PROPERTY MANAGEMENT,**
13 **CORP. and GURPREET SINGH,**

14 Respondents.

No. H-3118 FR

ACCUSATION

15 The Complainant, BRENDA SMITH, acting in her official capacity as a
16 Supervising Special Investigator of the State of California, for cause of Accusation against
17 Respondents FRESNO PROPERTY MANAGEMENT, CORP. (FPMC) and GURPREET
18 SINGH (SINGH), sometimes collectively referred to as Respondents, is informed and alleges as
19 follows:

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

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24 At all times mentioned, FPMC was and is licensed by the State of California
25 Bureau of Real Estate (Bureau) as a real estate broker corporation doing business as Fresno
26 Management Company.

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At all times mentioned herein, SINGH was and is licensed by the Bureau individually as a real estate broker.

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At all times mentioned herein, SINGH was the designated broker officer of FPMC from March 27, 2013, until February 9, 2017. As the designated broker officer, SINGH was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of officers, agents, real estate licensees and employees of FPMC for which a real estate license is required to ensure the compliance of the corporation with the Real Estate Law and Regulations.

5

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

6

At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers within the State of California within the meaning of Section 10131(b) of the Code, including 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 or offered to lease or rent, or placed for rent, or solicited listings of places for rent, or solicited for prospective tenants, or negotiated the sale, purchase or exchanges of leases on real property, or on a business opportunity, or collected rents from real property, or improvements thereon, or from business opportunities.

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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 Beginning on November 7, 2016, through November 9, 2016, an audit was
7 conducted at FPMC's office located at 7575 N Del Mar Avenue, Suite 102, Fresno, California,
8 where the auditor examined records for the period of November 1, 2015, through October 31,
9 2016 (the audit period).

10 9

11 While acting as a real estate broker as described in Paragraph 6, above, and
12 within the audit period, Respondents accepted or received funds in trust (trust funds) from or on
13 behalf of property owners, lessees and others in connection with property management
14 activities, and deposited or caused to be deposited those funds into bank accounts maintained by
15 Respondents, at the following financial institutions:

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17 **TRUST ACCOUNT #1**

18 Bank:	Westamerica Bank, 1172 E Shaw Avenue, Fresno, CA 93710
19 Account No.:	XXX-XX097-2
20 Entitled:	FRESNO PROPERTY MANAGEMENT CORP COMMON CLIENT TRUST ACCOUNT

21

22 **TRUST ACCOUNT #2**

23 Bank:	Westamerica Bank, 1172 E Shaw Avenue, Fresno, CA 93710
24 Account No.:	XXX-XX096-4
25 Entitled:	FRESNO PROPERTY MANAGEMENT CORP COMMON CLIENT TRUST ACCOUNT

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TRUST ACCOUNT #3	
Bank:	Westamerica Bank, 1172 E Shaw Avenue, Fresno, CA 93710
Account No.:	XXX-XX378-6
Entitled:	FRESNO PROPERTY MANAGEMENT CORP COMMON CLIENT TRUST ACCOUNT
BANK ACCOUNT #1	
Bank:	Valley Business Bank, 701 W Main Street, Visalia, CA 93291
Account No.:	XXX9122
Entitled:	803 South Demaree LLC

and thereafter from time-to-time made disbursement of said trust funds.

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11 10

12 In the course of the activities described in Paragraph 6, in connection with the
13 collection and disbursement of trust funds, it was determined that:

- 14
- 15 (a) An accountability was performed on Trust Account #1, and as of
16 October 31, 2016, a shortage of \$2,747.54 was revealed, in violation of
17 Section 10145 of the Code and Section 2832.1 of Chapter 6, Title 10,
California Code of Regulations (Regulations);
- 18 (b) Respondents failed to designate Bank Account #1 as a trust account as
19 required by Section 10145 of the Code and Section 2832 of the
Regulations;
- 20 (c) Allowed a person who was not licensed and did not have a fidelity bond
21 to be a signatory on Trust Account #1, Trust Account #2, and Trust
Account #3, in violation of Section 2834 of the Regulations; and
- 22 (d) Collected and retained compensation, commission, or profit, and failed to
23 disclose the compensation, commission or profit from homeowners in
24 connection with payment for property management maintenance and
25 repair services performed by Fresno Property Maintenance (FPM), a
26 maintenance company that was a subsidiary of FPMC, in violation of
27 Section 10176(g) of the Code. Specifically, Respondents failed to
disclose its ownership interest on property management agreements or on
any other kind of other disclosures to at least some owner clients about
maintenance services provided through FPMC.

The acts and/or omissions described above constitute violations of Sections 2832 (Bank Account Not Property Designated as Trust Account), 2832.1 (Written Permission for Balance Below Accountability), and 2834 (Trust Fund Signatories) of the Regulations, and Sections 10145 (Trust Fund Handling) and 10176 (g) (Secret or Undisclosed Compensation) of the Code, and are grounds for discipline under Sections 10177(d) (Willful Disregard of Real Estate Laws) and/or 10177(g) (Negligence/Incompetence Licensee) of the Code.

SECOND CAUSE OF ACTION

Each and every allegation in Paragraphs 1 through 11, inclusive, is incorporated by this reference as if fully set forth herein.

Respondent SINGH failed to exercise reasonable supervision and control over the property management activities of FPMC. In particular, SINGH permitted, ratified and/or caused the conduct described above to occur, and failed to take reasonable steps, including but not limited to, the handling of trust funds, supervision of employees, and the implementation of policies, rules and systems to ensure the compliance of the business with the Real Estate Law and the Regulations.

The above acts and/or omissions of SINGH violate Section 2725 (Broker Supervision) of the Regulations and Section 10159.2 (Responsibility/Designated Officer) of the Code and constitute grounds for disciplinary action under the provisions of Sections 10177(d) and/or 10177(g), and 10177(h) (Broker Supervision) of the Code.

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Audit Costs


The acts and/or omissions of Respondents, as alleged above, entitle the Bureau to reimbursement of the costs of its audits pursuant to Section 10148(b) (Audit Costs for Trust Fund Handling Violations) of the Code.

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Costs of Investigation and Enforcement

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 disciplinary action against all licenses and license rights of Respondents under the Real Estate Law, for the cost of the investigation and enforcement as permitted by law, for the cost of the audit as permitted by law, and for such other and further relief as may be proper under other provisions of law.


BREND A SMITH
Supervising Special Investigator

Dated at Fresno, California,

this 25 day of May, 2018