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BUREAU OF REAL ESTATE

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

10 * * *

11 In the Matter of the Accusation of:)	
)	No. H-3140 FR
12 LAWRENCE CECIL RUMBECK, and)	
13 BP REALTY, INC.,)	<u>ACCUSATION</u>
)	
)	
15 Respondents.)	

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17 The Complainant, BRENDA SMITH, in her official capacity as a Supervising
18 Special Investigator of the State of California, Bureau of Real Estate ("Bureau"), brings this
19 Accusation against LAWRENCE CECIL RUMBECK ("RUMBECK") and BP REALTY, INC.
20 ("BPRI"), (collectively "Respondents"), and is informed and alleges as follows:

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22 BPRI is presently licensed by the Bureau and/or has license rights under the Real
23 Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("Code"), as a
24 corporate real estate broker.

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26 RUMBECK is presently licensed by the Bureau and/or has license rights under the
27 Code.

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2 Starting on or about November 27, 2013, RUMBECK became the designated
3 officer for BPRI and has been the designated officer thereafter.

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5 At all times relevant herein, Respondents engaged in the business of, acted in the
6 capacity of, advertised or assumed to act as real estate licensees within the State of California within
7 the meaning of Section 10131(b) of the Code including the operation and conduct of a property
8 management business with the public, wherein, on behalf of others, for compensation or in
9 expectation of compensation, Respondents leased or rented or offered to lease or rent, and solicited
10 for prospective tenants of real property or improvements thereon, and collected rents from real
11 property or improvements thereon.

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

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19 Beginning on or about October 17, 2016, and continuing intermittently through
20 January 11, 2017, an audit was conducted of the real estate business activities of BPRI, located at
21 1505 Geer Rd., Turlock, CA 95380. The auditor examined the business records of BPRI for the
22 period of September 1, 2015, through September 30, 2016, ("the audit period").

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24 While engaging in the real estate activities described in Paragraph 4, above, and
25 within the audit period, Respondents accepted or received funds in trust ("trust funds") and
26 deposited or caused the trust funds to be deposited into accounts maintained as follows:

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1 Trust Account #1

2 Bank Name: WestAmerica Bank
3 2891 Geer Rd., Turlock, CA
4 Account Name: BP Realty Inc DBA Landlord's Property Management CO.
5 Common Client Trust Account
6 Account No.: Last 4 Digits: 8454
7 Description: Handle property management activities, including deposit
8 rents and owners' contributions, and disbursements.

9
10
11 Trust Account #2

12 Bank Name: Oak Valley Community Bank
13 2001 Geer Rd., Turlock, CA
14 Account No.: Last 4 Digits: 2880
15 8

16 In the course of the real estate activities described in Paragraph 4, above, and during
17 the audit period, it was discovered:

18 (a) As of September 30, 2016, Trust Account #1 contained a shortage of
19 \$13,114.43 and Trust Account #2 contained a shortage of \$2,513.68, in violation of Section 10145
20 of the Code;

21 (b) Respondents failed to obtain written permission from owners of trust funds in
22 Trust Account #1 and Trust Account #2 to allow the balance to drop below accountability, in
23 violation of Section 2832.1, Title 10, of the California Code of Regulations ("Regulations");

24 (c) Respondents failed to maintain monthly reconciliations of the separate
25 beneficiary records and control records for Trust Account #1 and Trust Account #2, in violation of
26 Sections 2831 and 2831.2 of the Regulations;

27 (d) Respondents used Landlord's Property Management Co., a fictitious business

