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FILED

MAY - 2 2018

BUREAU OF REAL ESTATE

By 

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7
8 **BEFORE THE BUREAU OF REAL ESTATE**
9 **STATE OF CALIFORNIA**

10 * * *

11 In the Matter of the Accusation of)
12 RICHARD MICHAEL GONZALES,)
13 individually and doing business as)
14 Bakersfield Property Services,)
15 Respondent.)

No. H-03177 FR

ACCUSATION

16
17 The Complainant, Brenda Smith, a Supervising Special Investigator of the State of
18 California, acting in her official capacity for cause of Accusation against RICHARD MICHAEL
19 GONZALES, individually and doing business as Bakersfield Property Services ("Respondent"), is
20 informed and alleges as follows:

21 1.

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

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2.

Respondent RICHARD MICHAEL GONZALES is licensed by the Bureau as a real estate broker. Respondent was originally licensed as a real estate broker on December 4, 2013. Respondent's real estate broker license is due to expire on December 3, 2021. During the period March 14, 2017, through October 30, 2017, Respondent maintained the licensed fictitious business name, "Bakersfield Property Services."

3.

At all times mentioned, in the County of Kern, California, Respondent engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker within the meaning of Code Section 10131(b). His 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)

4.

On October 20, 2017, the Bureau completed an audit examination of the books and records of Respondent with regard to the real estate activities described in paragraph 3, above. The audit examination covered the period of time from May 1, 2016, to April 30, 2017. The primary purpose of the examination was to determine Respondent's compliance with the Real Estate Law. The audit examination revealed numerous violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report FR-16-0068 and the exhibits and work papers attached to said audit report.

5.

With respect to the licensed activities referred to in Paragraph 3, and the audit examination including the exhibits and work papers referenced in Paragraph 4, it is alleged that Respondent:

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1 (a) Failed to maintain a separate record and perform a monthly reconciliation
2 of the separate record to the control record of trust funds handled in violation of Code Section
3 10145 and Regulations 2831.1, and 2831.2;

4 (b) Failed to place funds collected for the benefit of another into a trust fund
5 in the name of the broker in violation of Code Section 10145 and Regulation 2832; and

6 (c) Used the fictitious business name "Bakersfield Property Services" to
7 conduct real estate activities prior to registering that name with the Bureau in violation of Code
8 Section 10159.5 and Regulation 2731.

9 6.

10 The conduct of Respondent described in Paragraph 5, above, violated the Code
11 and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
12 5(a)	13 Code Section 10145 14 Regulations 2831.1 and 2832.1
15 5(b)	16 Code Section 10145 17 Regulation 2832
18 5(c)	19 Code Section 10159.5 20 Regulation 2731

21
22 Each of the foregoing violations constitute cause for the suspension or revocation
23 of the real estate license and license rights of Respondents under the provisions of Code Sections
24 10177(d) and/or 10177(g).

25 7.

26 Code Section 10148(b) provides, in pertinent part, that the Real Estate
27 Commissioner shall charge a real estate broker for the cost of any audit if the Commissioner has

1 found in a final decision, following a disciplinary hearing, that the broker has violated Code
2 Section 10145 or a Regulation or rule of the Commissioner interpreting said Code section.

3 SECOND CAUSE OF ACCUSATION

4 (Failure of Broker to Supervise Unlicensed Person)

5 8.

6 Although Bakersfield Property Services was a fictitious business name licensed to
7 Respondent's real estate broker license, the business was actually owned by Christine Karamian
8 who is not licensed by the Bureau in any capacity. Respondent entrusted all real estate activities
9 requiring a real estate license to the unlicensed Christine Karamian, including the negotiation of
10 lease agreements, collection of rents, and handling of trust funds, and allowed her to collect
11 compensation for those services in violation of Code Sections 10130 and 10137. Respondent
12 also allowed Christine Karamian to hold a rubber stamp bearing Respondent's signature so that
13 she could engage in such activities.

14 9.

15 Based on the conduct alleged in paragraphs 6, and 8, above, Respondent
16 GONZALES failed to exercise reasonable supervision over the activities of Bakersfield Property
17 Services to ensure compliance with the Real Estate Laws and the Commissioner's Regulations in
18 violation of Code Sections 10177(h), and 10177(g), and Regulation 2725.

19 10.

20 The conduct, acts and omissions of Respondent GONZALES, as set forth above,
21 are cause for the suspension or revocation of the licenses and license rights of Respondent
22 pursuant to Code Sections 10177(d), 10177(g), and/or 10177(h).

23 11.

24 California Business and Professions Code Section 10106 provides, in pertinent
25 part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, the
26 Commissioner may request the administrative law judge to direct a licensee found to have
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1 committed a violation of this part to pay a sum not to exceed the reasonable costs of
2 investigation and of enforcement of the case.

3
4 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
5 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
6 action against the license and license rights of Respondent RICHARD MICHAEL GONZALES
7 under the Real Estate Law, for the costs of investigation and enforcement as provided by law, for
8 costs of the audit, and for such other and further relief as may be proper under other applicable
9 provisions of law.

10 Dated at Fresno, California: 4-25-18

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14 Brenda Smith
15 Supervising Special Investigator

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25 cc: Richard Michael Gonzales
26 Brenda Smith
27 Sacto
Audits – Alvin Samareta