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4	DEPARTMENT OF REAL ESTATE
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8	BEFORE THE
9	DEPARTMENT OF REAL ESTATE
10	STATE OF CALIFORNIA
11	* * *
12	In the Matter of the Accusation of)
13	ROBERT ARTHUR JONES,) NO. H-3356 SAC
14	Respondent.
15	[
16	ORDER GRANTING REINSTATEMENT OF LICENSE
17	On October 28, 1998, a Decision was rendered herein
18	revoking the real estate broker license of Respondent, but
. 19	granting Respondent the right to the issuance of a restricted
20	real estate broker license. A restricted real estate broker
21	license was issued to Respondent on November 20, 1998.
22	On April 25, 2001, Respondent petitioned for
23	reinstatement of said real estate broker license, and the
24	Attorney General of the State of California has been given
25	notice of the filing of said petition.
26	I have considered the petition of Respondent and the
27	evidence and arguments in support thereof including Respondent's
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record as a restricted licensee. Respondent has demonstrated to my satisfaction that Respondent meets the requirements of law for the issuance to Respondent of an unrestricted real estate broker license and that it would not be against the public interest to issue said license to Respondent.

NOW, THEREFORE, IT IS ORDERED that Respondent's
petition for reinstatement is granted and that a real estate
broker license be issued to Respondent, if Respondent satisfies
the following conditions within nine months from the date of this
Order:
10 Order:
11 1. Submittal of a completed application and payment of

12 the fee for a real estate broker license.

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2. Submittal of evidence of having, since the most
recent issuance of an original or renewal real estate license,
taken and successfully completed the continuing education
requirements of Article 2.5 of Chapter 3 of the Real Estate Law
for renewal of a real estate license.

This Order shall be effective immediately.

DATED: 2002.

PAULA REDDISH ZINNEMANN Real Estate Commissioner

2 -



BEFORE THE

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) DOUGLASS NORTH WOODS REALTY, INC.,) ROBERT ARTHUR JONES, and BARBARA GREEN,

Respondents.

NO. H-3356 SAC OAH NO. N-1998060204

DECISION

The Proposed Decision dated September 30, 1998, of the Administrative Law Judge of the Office of Administrative Hearings is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

> JIM ANTT, JR. Real_Estate Commissioner

BEFORE THE DEPARTMENT OF REAL ESTATE STATE OF CALIFORNIA

In the Matter of the Accusation Against:

No. H-3356 SAC OAH No. N-1998060204

DOUGLASS NORTH WOODS REALTY, INC. ROBERT ARTHUR JONES, and BARBARA GREEN,

Respondents.

PROPOSED DECISION

On September 15, 1998, in Sacramento, California, Keith A. Levy, Administrative Law Judge, Office of Administrative Hearings, State of California, heard this matter.

Deidre L. Johnson, Staff Counsel, represented the Department of Real Estate.

Robert Arthur Jones, Respondent, represented himself and Douglass North Woods Realty, Inc.

Barbara Green, Respondent, represented herself.

Evidence was received, the record was closed and the matter was submitted.

FINDINGS OF FACT

Ι

Complainant, Charles W. Koenig, a Deputy Real Estate Commissioner of the State of California, made and filed the Accusation against Respondents in his official capacity and not otherwise.

Respondents Douglass North Woods Realty, Inc., Robert Arthur Jones and Barbara Green are presently licensed and/or have license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code.

Ш

At all times herein mentioned, respondent Douglass North Woods Realty, Inc. (hereinafter "Douglass") was and is licensed by the Department of Real Estate (hereinafter "Department") as a real estate broker corporation, with respondent Robert Jones (hereinafter "Jones") as its designated broker officer.

IV

At all times herein mentioned, respondent Jones was and is licensed by the Department as an individual real estate broker, and as the designated broker officer of Douglass.

V

At all times herein mentioned, respondent Barbara Green (hereinafter "Green") was and is licensed by the Department as a real estate salesperson.

FIRST CAUSE OF ACTION

VI

The Department audited Douglass on various dates between May 9, 1997 and December 30, 1997. The audit covered the period January 1, 1996 to May 31, 1997. During the time period covered Douglass engaged in activities on behalf of others for which a real estate license is required as follows:

- (a) It sold or offered to sell, bought or offered to buy, solicited prospective sellers or purchasers of, and/or negotiated the purchase, sale or exchange of real property; and
- (b) It leased or rented, offered to lease or rent, solicited prospective tenants, collected rents on, and/or managed certain real properties in California.

In the conduct of these business activities Douglass used the fictitious business name of "North Woods Realty". Douglass was not licensed by the Department to do business under any fictitious business name. During the course of the property management activities described above, Douglass received and disbursed funds in trust on behalf of others, and deposited the trust funds into bank accounts at Truckee River Bank (now Sierra West Bank) at Truckee, California, as follows:

- (a) Account number 130100293, in the name of "TRUCKEE APARTMENTS II", (hereinafter Account #1);
- (b) Account number 120100374, in the name of "TRUCKEE APARTMENTS II", (hereinafter Account #2.
- (c) Account number 130100382 (unknown at the time of the audit), in the name of "TRUCKEE I" (hereinafter Account #3); and
- (d) Account number 130100285 (unknown at the time of the audit), in the name of "TRUCKEE I" (hereinafter Account #4).

VΠI

In connection with the audit, beginning in May of 1997, Douglass was requested to produce specified documents and records executed or obtained by it in connection with transactions for which a real estate license is required, for a three-year period preceding the audit. The records requested included, but were not limited to, trust fund records, bank statements, and cancelled checks for Account #3 and Account #4 above. Douglass failed to retain and make available for examination and inspection the requested information related to these accounts. Douglass presented an envelope of documents at the hearing representing them to be the requested documents recovered from a box of documents in the office of the subsequent property manager that took over in July 1996. This offer was not timely and lacking in credibility inasmuch as the Department's auditor had interviewed the new property manager and had gone through all the documents that he had. In any case, Douglass was required to retain the documents or copies of them in its possession for a least three years and it failed to do so.

IX

The authorized signatures on Account #1 and Account #2 were Robert Coyle, Mary Coyle, Joseph Garbarino, Angelina Garbarino, property owners, with their signatures on the signature card(s), and, in addition, Robert Jones and Barbara Green by reference to a Power of Attorney. Only one signature was required to authorize disbursements from Account #1 and Account #2. By virtue of these facts Douglass failed to retain complete control as the designated trustee and real estate broker of these accounts, into which trust funds were deposited that were the sole responsibility of Douglasss to receive, disburse, and account for under the Real Estate Law.

During the period of time examined by the auditor for the Department, in connection with the receipt and disbursement of trust funds, Douglass failed to deposit trust finds into one or more trust accounts. In addition, a least Account #1 and Account #2 were not in the name of Douglass North Woods, Inc. as the trustee at a bank or other financial institution.

SECOND CAUSE OF ACTION

XI

Green ran the property management business of Douglass, at least as to two apartment complexes, known as Truckee I and Truckee II, or as "Jeffrey Pine Apartments" and she did so with inadequate supervision from Jones. Green entered into property management contracts with property owners and rental agreements with tenants, kept material books and records of the company including the records for accounts #3 and #4. Instead of retaining the records as required Green turned them over to the owners, who requested them when the new manager took over. She had some records on her computer which she accidentally deleted when she resigned as property manager. Green even filed small claim actions against tenants in her own, not in the name of Douglass. What little supervision there was consisted of inquiries from Jones whether certain property management functions were being handled properly and Green assured Jones that they were. Jones assumed that Green was properly handling records and trust accounts based on her representations of experience managing her own properties in Jones had no independent knowledge of how things were being handled and the past. consequently Green acted, or assumed to act, as a real estate broker and was compensated for conducting the property management business.

THIRD CAUSE OF ACTION

XII

Jones failed to exercise reasonable supervision over the property management activities of Douglass and Green. In particular, Jones permitted, ratified and/or caused the conduct found above to occur and failed to take reasonable steps, including the review of material agreements such as the rental agreements and property management trust fund records, to ensure the compliance of the company and Green with the Real Estate Law.

XIII

Adjusted bank balances and accountability for Accounts #1 and #2 did balance. Accountability and adjusted bank balances for Accounts #3 and #4 could not be determined because the auditor was unable to obtain the bank statements for these accounts.

- 4

XIV

Jones enjoys a good reputation among his peers. He has been a broker since 1979. He served a term as President of the Board of Realtors, was a past realtor of the year, and he served on the professional ethics and standards committee. He is on the Public Utility Board that supplies water and he is active in his church. Jones is currently an associate broker with Coldwell Banker in Truckee.

DETERMINATION OF ISSUES

FIRST CAUSE OF ACTION

Ι

Cause for discipline of Respondent Douglass' license for violation of Business and Professions Code sections 10148 and 10177(d) was established by Finding VIII.

II

Cause for discipline of Respondent Douglass' license for violation of Business and Professions Code sections 10145 and 10177(d) and California Code of Regulations section 2834 was established by Finding IX.

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Cause for discipline of Respondent Douglass' license for violation of Business and Professions Code sections 10145, 10177(d) and California Code of Regulations section 2832 was established by Findings IX and X.

IV

Cause for discipline of Respondent Douglass' license for violation of Business and Professions Code sections 10159.5 and 10177(d) and California Code of Regulations section 2731 was established by Finding VI.

SECOND CAUSE OF ACTION

V

Cause for discipline of Respondent Green's license for violation of Business and Professions Code sections 10130 and 10177(d) was established by Finding XI.

THIRD CAUSE OF ACTION

VI

Cause for discipline of Respondent Jones' license for violation of Business and Professions Code section 10177(h) was established by Finding XII.

ORDER

Ι

All licenses and licensing rights of respondent Douglass under the Real Estate Law are revoked.

II

All licenses and licensing rights of respondent Jones under the Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be issued to respondent pursuant to section 10156.5 of the Business and Professions Code if respondent makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to respondent shall be subject to all of the provisions of section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of section 10156.6 of that Code:

- 1. The restricted license issued to respondent may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of respondent's conviction or plea of nolo contendere to a crime which is substantially related to respondent's fitness or capacity as a real estate licensee.
- 2. <u>The restricted license issued to respondent may be suspended prior to</u> hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.
- 3. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until two (2) years has elapsed from the effective date of this Decision.

- 4. Respondent shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that respondent has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If respondent fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until the respondent presents such evidence. The Commissioner shall afford respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.
- 5. Any restricted real estate license issued to respondent pursuant to this Decision shall be suspended for 15 days from the date of issuance of said restricted license.

Ш

All licenses and licensing rights of respondent Green under the Real Estate Law are revoked; provided, however, a restricted real estate salesperson license shall be issued to respondent pursuant to section 10156.5 of the Business and Professions Code if respondent makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to respondent shall be subject to all of the provisions of section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of section 10156.6 of that Code:

- 1. The restricted license issued to respondent may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of respondent's conviction or plea of nolo contendere to a crime which is substantially related to respondent's fitness or capacity as a real estate licensee.
- 2. The restricted license issued to respondent may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.
- 3. <u>Respondent shall not be eligible to apply for the issuance of an</u> unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until three (3) years has elapsed from the effective date of this Decision.

- 4. <u>Respondent shall submit with any application for license under an</u> employing broker, or any application for transfer to a new employing broker, a statement signed by the prospective employing real estate broker on a form approved by the Department of Real Estate which shall certify:
 - a. That the employing broker has read the Decision of the Commissioner which granted the right to a restricted license; and
 - b. That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.
- 5. Respondent shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that respondent has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If respondent fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until the respondent presents such evidence. The Commissioner shall afford respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.
- 6. Any restricted real estate license issued to respondent pursuant to this Decision shall be suspended for 30 days from the date of issuance of said restricted license.

Hember 30, Dated:

KEITH A. LEVY Administrative Law Judge Office of Administrative Hearings

BEFORE THE DEPARTMENT OF REAL ESTATE JUL 1 5 1998

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In the Matter of the Accusation of

DOUGLASS NORTH WOODS REALTY, INC., ROBERT ARTHUR JONES, and, BARBARA GREEN,

Case No.	<u>H-3356 SAC</u>	
OAH No.	N-1998060204	

Respondent s

CONTINUED NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at

The Office of Administrative Hearings, 560 J Street,

Suites 340/360, Sacramento, California 95814

on <u>September 15, 1998</u>, at the hour of <u>9:00 AM</u>, or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

DEPARTMENT OF REAL ESTATE

DEIDRE L. JØÁNSON Counsel

RE 501 (Rev. 8/97)

BEFORE THE DEPARTMENT OF REAL ESTAT STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of	Case No. H-3356 SAC
DOUGLASS NORTH WOODS REALTY, INC., ROBERT ARTHUR JONES, and BARBARA GREEN	OAH No. <u>N 1998060204</u>
Respondent	

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at

The Office of Administrative Hearings, 560 J Street, Suite 340/360

Sacramento, California 95814

on Friday -- July 17, 1998

9:00 AM · , at the hour of

or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing,

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

DEPARTMENT OF REAL ESTATE

Counsel

June 19, 1998 Dated:

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1	DEIDRE L. JOHNSON, Counsel
2	State Bar No. 66322 Department of Real Estate
3	P. O. Box 187000 Sacramento, CA 95818-7000 APR 1 6 1998
4	Telephone: (916) 227-0789 DEPARTMENT OF REAL ESTATE
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6	By Jean aunoto
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8	BEFORE THE
9	DEPARTMENT OF REAL ESTATE
10	STATE OF CALIFORNIA
11	* * *
12	In the Matter of the Accusation of)) NO. H-3356 SAC
13	DOUGLASS NORTH WOODS REALTY, INC.) ROBERT ARTHUR JONES, and) <u>ACCUSATION</u>
14	BARBARA GREEN,
15	Respondents)
16	The Complainant, Charles W. Koenig, a Deputy Real Estate
17	Commissioner of the State of California, for causes of Accusation
18	against DOUGLASS NORTH WOODS REALTY, INC., ROBERT ARTHUR JONES,
19	and BARBARA GREEN, is informed and alleges as follows:
20	PRELIMINARY ALLEGATIONS
21	· I
22	The Complainant, Charles W. Koenig, a Deputy Real Estate
23	Commissioner of the State of California, makes this Accusation
24	against Respondents in his official capacity and not otherwise.
25	II
26	Respondents DOUGLASS NORTH WOODS REALTY, INC., ROBERT
27	ARTHUR JONES, and BARBARA GREEN are presently licensed and/or
COURT PAPER STATE OF CALIFORNIA STD. 113 (REV. 3-95)	

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have license rights under the Real Estate Law, Part 1 of Division
 4 of the California Business and Professions Code (hereafter the
 Code).

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At all times herein mentioned, Respondent DOUGLASS NORTH
WOODS REALTY, INC. (hereafter DOUGLASS) was and is licensed by the
Department of Real Estate (hereafter the Department) as a real
estate broker corporation, with Respondent ROBERT ARTHUR JONES as
its designated broker officer. At no time herein was DOUGLASS
licensed by the Department to do business under any fictitious
business name.

At all times herein mentioned, Respondent ROBERT ARTHUR
JONES (hereafter JONES) was and is licensed by the Department as
an individual real estate broker, and as the designated broker
officer of DOUGLASS.

IV

18 At all times herein mentioned, Respondent BARBARA GREEN
19 (hereafter GREEN) was and is licensed by the Department as a real
20 estate salesperson.

V

VI

At least within the last three years, DOUGLASS engaged in activities on behalf of others for which a real estate license is required, for or in expectation of compensation, including but not limited to the following:

(a) Under Section 10131(a) of the Code, it sold or
offered to sell, bought or offered to buy, solicited prospective

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1	sellers or purchasers of, and/or negotiated the purchase, sale or
2	exchange of real property; and
3	(b) Under Section 10131 (b) of the Code, it leased or
4	rented, offered to lease or rent, solicited prospective tenants,
5	collected rents on, and/or managed certain real properties in
6	California.
7	FIRST CAUSE OF ACTION
8	(Respondent DOUGLASS only)
9	VII
10	Between May and December of 1997, the Department
11	conducted an audit of the business activities of DOUGLASS. During
12	the course of the property management activities described in
13	Paragraph VI(b) above, DOUGLASS received and disbursed funds in
14	trust on behalf of others, and deposited the trust funds into bank
15	accounts at Truckee River Bank (now Sierra West Bank) at Truckee,
16	California, as follows:
17	(a) Account number 130100293, in the name of "TRUCKEE
18	APARTMENTS II", (hereafter ACCOUNT #1);
19	(b) Account number 130100374, in the name of "TRUCKEE
20	APARTMENTS II", (hereafter ACCOUNT #2);
21	(c) Account number unknown at this time, in the name of
22	"TRUCKEE I", (hereafter ACCOUNT #3); and
23	(d) Account number unknown at this time, in the name of
24	"TRUCKEE I", (hereafter ACCOUNT #4).
25	VIII
26	In connection with the audit, DOUGLASS was requested to
27	produce specified documents and records executed or obtained by it
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STATE OF CALIFORNIA STD. 113 (REV. 3-95) 95 28391	-3

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1 in connection with transactions for which a real estate license is 2 required, for a three-year period preceding the audit. Said 3 records included but were not limited to trust fund records, bank 4 statements, and cancelled checks for ACCOUNT #3 and ACCOUNT #4 5 above, and utilized during said time period by DOUGLASS for said 6 property management activities.

IX

Beginning in or about May of 1997, and continuing
through the present, DOUGLASS has failed to retain and make
available for examination and inspection by a designated
representative of the Commissioner of the Department complete
records as described in Paragraph VIII above, including but not
limited to all trust fund records, cancelled checks and bank
statements for ACCOUNT #3 and ACCOUNT #4.

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The authorized signatories on ACCOUNT #1 and ACCOUNT #2 16 17 above were ROBERT COYLE, MARY COYLE, JOSEPH GARBARINO, ANGELINA 18 GARBARINO, property owners, with their signatures on the 19 signature card(s), and, in addition, ROBERT JONES and BARBARA 20 GREEN by reference to a Power of Attorney. Only one signature 21 was required to authorize disbursements from ACCOUNT #1 and 22 ACCOUNT #2. By virtue of the foregoing facts, Respondent DOUGLASS failed to retain complete control as the designated 23 trustee and real estate broker of said accounts, into which 24 trust funds were deposited that were the sole responsibility of 25 DOUGLASS to receive, disburse, and account for under the Real 26 27 Estate Law.

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1 XI 2 Within the three years last past, in connection with the receipt and disbursement of trust funds as alleged above, DOUGLASS 3 failed to deposit trust funds into one or more trust accounts. 4 In addition, at least ACCOUNT #1 and ACCOUNT #2 were not in the name 5 of Respondent DOUGLASS NORTH WOODS, INC. as the trustee at a bank 6 or other financial institution. 7 XII 8 In the conduct of the business activities referred to in 9 Paragraph VI above, Respondent DOUGLASS engaged in activities for 10 which a real estate license is required under the fictitious 11 business name of "NORTH WOODS REALTY." 12 13 XIII The acts and/or omissions of Respondent DOUGLASS as 14 alleged above constitute grounds for disciplinary action under the 15 following provisions: 16 (a) As to Paragraph IX, under Section 10148 of the 17 Code in conjunction with Section 10177(d) 18 of the Code. 19 (b) As to Paragraph X, under Section 10145 of 20 the Code and Section 2834 of the Regulations, 21 in conjunction with Section 10177(d) of the 22 Code. 23 (c) As to Paragraph XI, under Section 10145 of the 24 Code and Section 2832 (formerly 2830) of the 25 Regulations in conjunction with Section 26 10177(d) of the Code. 27 (REV. 3-95) -5-

(d) As to Paragraph XII, under Section 10159.5 of the Code and Section 2731 of the Regulations in conjunction with Section 10177(d) of the Code.

> SECOND CAUSE OF ACTION (Respondent GREEN only)

XIV

7 Within the last three years GREEN, licensed as a real 8 estate salesperson, acted or assumed to act as a real estate 9 broker for or in expectation of compensation in conducting the above property management business, at least as to two apartment 10 11 complexes, known as TRUCKEE I and TRUCKEE II, or as "Jeffrey Pine 12 Apartments". GREEN actually ran said property management business 13 of DOUGLASS without supervision, hired and terminated apartment 14 managers, entered into property management contracts with property 15 owners and rental agreements with tenants, and kept material books 16 and records of the company including the records for at least 17 ACCOUNT #3 and ACCOUNT #4 above, and including but not limited to 18 the following transactions:

(a) A rental agreement effective on or about
 June 17, 1995, between Greg and Stacy Ingle,
 tenants, and GREEN, for Unit C2, Jeffrey Pine
 Apartments, Truckee, California; and

(b) A rental agreement effective on or about
 September 1, 1995, between Brian and
 Monica Pappe, tenants, and GREEN, for Unit A5,
 Jeffrey Pine Apartments, Truckee, California.

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The acts and/or omissions of Respondent GREEN as above
alleged violate Section 10130 of the Code and constitute cause for
disciplinary action under Section 10177(d) of the Code.

THIRD CAUSE OF ACTION (Respondent JONES only)

XVI

8 Within the last three years, Respondent JONES failed to exercise reasonable supervision over the property management 9 activities of DOUGLASS and GREEN. In particular, JONES permitted, 10 ratified and/or caused the conduct described in the first and 11 second causes of action above to occur and failed to take 12 13 reasonable steps including but not limited to the review of material agreements such as the rental agreements described in 14 Paragraph XIV above, and/or property management trust fund records 15 such as those for the bank accounts described in Paragraph VII 16 above, to ensure the compliance of the company and GREEN with the 17 Real Estate Law. 18

XVII

20 The acts and/or omissions of Respondent JONES alleged in 21 Paragraph XVI above constitute cause for disciplinary action 22 pursuant to Section 10177(h) of the Code.

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COURT PAPER STATE OF CALIFORNIA STD. 113 (REV. 3-95)

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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 (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other provisions of law. CHARLES W. KOENIG Deputy Real Estate Commissioner Dated at Sacramento, California, this day of PER CALIFORNIA 113 (REV. 3-95) -8-

STD.