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DEPARTMENT OF REAL ESTATE

By R. den

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)	
)	No. H-3504 FR
LINDA LEE HAINES,)	
)	<u>ACCUSATION</u>
Respondent.)	
)	

The Complainant, RUBEN CORONADO, acting in his official capacity as a Supervising Special Investigator of the State of California, for cause of Accusation against LINDA LEE HAINES (Respondent), is informed and alleges as follows:

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At all times herein mentioned, Respondent was and is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (Code) by the Department of Real Estate (the Department) as a real estate broker.

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At all times herein mentioned, Respondent engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker 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

1 compensation or in expectation of compensation, Respondent leased or rented or offered to
2 lease or rent, or solicited listings of places for rent or solicited for prospective tenants, or
3 negotiated the sale, purchase or exchange of leases on real property, or on a business
4 opportunity, or collected rent from tenants.

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6 On or about August 26, 2022, the Department completed an audit of the property
7 management records of Respondent. The auditor examined the records for the period of August
8 1, 2020, through July 31, 2022 (the audit period).

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10 Respondent, while acting as a real estate broker, as described in Paragraph 2,
11 accepted or received funds in trust (trust funds) from or on behalf of owners, lessees and others
12 in connection with property management activities, and deposited those funds into bank accounts
13 maintained by Respondent, at the following financial institutions, including but not limited to the
14 following:

BANK ACCOUNT #1	
Bank:	Wells Fargo Bank, 1501 Freedom Blvd., Watsonville, CA 95076
Account No.:	XXXXXXX2289
Entitled:	LINDA HAINES LHPM LINDA HAINES PROPERTY MANAGEMENT

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20 and thereafter from time-to-time made disbursement of said trust funds.¹

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22 In the course of the activities described in Paragraphs 2 and 4, in connection with
23 the collection and disbursement of trust funds, it was determined that:

- 24 (a) Respondent failed to properly designate Bank Account #1, as a trust account
25 with the broker as trustee, as required by Section 10145 of the Code and
26

27 ¹ Bank Account #1 is also referred to as "LINDA HAINES DBA LHPM LINDA HAINES PROPERTY
MANAGEMENT" in the bank statements.

1 Section 2832 of Chapter 6, Title 10, California Code of Regulations
2 (Regulations);

3 (b) Respondent allowed an unlicensed person to be a signatory on Bank Account
4 #1 without an adequate fidelity bond, in violation of Section 10145 of the
5 Code, and Section 2834 of the Regulations;

6 (c) Respondent failed to maintain an accurate columnar record in chronological
7 sequence of all trust funds received and disbursed (Control Record),
8 containing all required information for Bank Account #1, in violation of
9 Section 2831 of the Regulations;

10 (d) Respondent failed to maintain an accurate separate record of the receipt and
11 disposition of all trust funds deposited in Bank Account #1, in violation of
12 Section 10145 (g) of the code, and Section 2831.1 of the Regulations;

13 (e) Respondent failed to perform and/or maintain records of monthly
14 reconciliations, reconciling the balance of all separate beneficiary or
15 transaction records with the balance of the record of all trust funds received
16 and disbursed for Bank Account #1, in violation of Section 2831.2 of the
17 Regulations; and

18 (f) Trust funds collected in the form of cash were not provided to the principal,
19 deposited into a neutral escrow depository or trust fund account within three
20 days of receipt, in violation of Section 10145 of the Code and Section 2832 of
21 the Regulations.

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23 The acts and/or omissions described above constitute violations of Sections 2831
24 (Control Records), 2831.1 (Separate Records), 2831.2 (Trust Account Reconciliation), 2832
25 (Trust Fund Handling), and 2834 (Trust Fund Signatories) of the Regulations, and Section 10145
26 (Trust Fund Handling) of the Code, and are grounds for discipline under Sections 10177 (d)

27 ///

1 (Willful Disregard of Real Estate Laws) and/or 10177 (g) (Negligence/Incompetence Licensee)
2 of the Code.

3 COST RECOVERY

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5 Audit Costs

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

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10 Costs of Investigation and Enforcement

11 Section 10106 of the Code provides, in pertinent part, that in any order issued in
12 resolution of a disciplinary proceeding before the Department, the Real Estate Commissioner
13 may request the Administrative Law Judge to direct a licensee found to have committed a
14 violation of this part to pay a sum not to exceed the reasonable costs of the investigation and
15 enforcement of the case.

16 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
17 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
18 action against all licenses and license rights of Respondent under the Code, for the reasonable
19 cost of investigation and enforcement as permitted by law, for the cost of the audit, and for such
20 other and further relief as may be proper under other provisions of law.

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24 RUBEN CORONADO
Supervising Special Investigator

25 Dated at Fresno, California,
26 this 29th day of January, 2024.

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