


FILED

DEC -6 2012

DEPARTMENT OF REAL ESTATE
BY: 

ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6911 (direct)
-or- (213) 576-6982 (office)

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H- 04432 SD
)	
LOUIS ALLEN WALLACE,)	<u>ACCUSATION</u>
)	
Respondent,)	
)	

The Complainant, Veronica Kilpatrick, a Deputy Real Estate Commissioner of the State of California acting in her official capacity, for cause of Accusation against LOUIS ALLEN WALLACE is informed and alleges as follows:

1.

The Complainant, Veronica Kilpatrick, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

2.

All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

///

1 License Status

2 3.

3
4 At all times mentioned, LOUIS ALLEN WALLACE (WALLACE), was licensed
5 or had license rights issued by the Department of Real Estate (Department) as a restricted real
6 estate broker.

7 Brokerage

8 4.

9
10 At all times mentioned, in the City of Carlsbad, County of San Diego, WALLACE
11 engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate
12 broker, including the operation and conduct of a property management business within the
13 meaning of Code Section 10131(b), with the public wherein, for or in expectation of
14 compensation, for another or others, Respondent leased or rented or offered to lease or rent, or
15 placed for rent, or solicited listings of places for rent, or solicited for prospective tenants, or
16 collected rents from real property, or improvements thereon.

17
18 WALLACE managed seventy-seven (77) properties for fifty-eight (58) owners
19 and collected approximately six to seven percent of the gross rents collected annually in trust
20 funds from his property management activity.

21 FIRST CAUSE OF ACCUSATION
22 (Audit Examination)

23 5.

24 On October 2, 2012, the Department attempted to conduct an audit examination of
25 the books and records of WALLACE, pertaining to the property management activities described
26 in Paragraph 3, that require a real estate license. The audit examination covered a period of time
27

beginning on August 1, 2009 and ending on July 31, 2012. The audit examination revealed violations of the Code and the Regulations as set forth below, and more fully discussed in Audit Report SD 110075 and the exhibits and work papers attached.

Trust Accounts

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, WALLACE accepted or received funds including funds in trust (hereinafter "trust funds") from or on behalf of actual or prospective parties to transactions handled by WALLACE, including property owners and tenants. WALLACE maintained the following bank accounts:

1. B/A 1

Account Name: Louis A. Wallace Property Management

Account No.: *****9379

Bank Name: Union Bank

2 B/A 2

Account Name: Louis A. Wallace Property Management

Account No.: *****4706

Bank Name: Union Bank

2 B/A 3

Account Name: Louis Wallace Property Management Trust

Account No.: *****6575

Bank Name: Chase Bank

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7

2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7

3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7

6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
5
7

0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
5
7

4
5
6
7
8
9
0
1
2
3
4
5
5
7

5
6
7
8
9
0
1
2
3
4
5
5
7

6
7
8
9
0
1
2
3
4
5
5
7

9
0
1
2
3
4
5
5
7

3
4
5
5
7

5
6
7

57

7

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7

3

4
5
6
7
8
9
0

2
3
4
5
6
7
8
9

3

2
3
4

5
6