

FILED

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BUREAU OF REAL ESTATE

By 

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BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

No. H- 04750 SD

A C C U S A T I O N

BEACH HOUSE REALTY;
JOE ECO REAL ESTATE
BROKER, INC.;
and JOSEPH P. ECONOMOU
individually and as
designated officer of
Beach House Realty
and Joe Eco Real Estate
Broker, Inc.,

Respondents,

The Complainant, Veronica Kilpatrick, a Supervising
Special Investigator of the State of California, for cause of
accusation against BEACH HOUSE REALTY, JOE ECO REAL ESTATE
BROKER, INC. and JOSEPH P. ECONOMOU individually and as
designated officer of Beach House Realty and Joe Eco Real Estate
Broker, Inc., alleges as follows:

Accusation of Beach House Realty.

1 1. The Complainant, Veronica Kilpatrick, acting in her
2 official capacity as a Supervising Special Investigator of the
3 State of California, makes this Accusation against BEACH HOUSE
4 REALTY, JOE ECO REAL ESTATE BROKER, INC. and JOSEPH P. ECONOMOU.

5 2. BEACH HOUSE REALTY, JOE ECO REAL ESTATE BROKER,
6 INC. and JOSEPH P. ECONOMOU individually and as designated
7 officer of Beach House Realty and Joe Eco Real Estate Broker,
8 Inc. (hereinafter referred to as "Respondents") are presently
9 licensed and/or have license rights under the Real Estate Law
10 (Part 1 of Division 4 of the Business and Professions Code,
11 hereinafter Code).

12 3. At all times herein mentioned, Respondents BEACH
13 HOUSE REALTY, JOE ECO REAL ESTATE BROKER, INC. (JEREBI) and
14 JOSEPH P. ECONOMOU (ECONOMOU) were licensed as real estate
15 brokers. Respondent ECONOMOU was the designated officer and
16 pursuant to Code Section 10159.2 was responsible for the
17 supervision and control of the activities conducted on behalf of
18 the corporation by its officers and employees as necessary to
19 secure full compliance with the provisions of the real estate law
20 including supervision of salespersons licensed to the corporation
21 in the performance of acts for which a real estate license is
22 required.

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27 Accusation of Beach House Realty.

1 4. At all times material herein, Respondents engaged
2 in the business of, acted in the capacity of, advertised or
3 assumed to act as real estate brokers in the State of California
4 within the meaning of Sections 10131(a) and (b) of the Code
5 including soliciting sellers and buyers, negotiating the sale of
6 real property, soliciting owners and renters, negotiating the
7 lease and rental of real property, and collecting rents from real
8 property.

9 5. On or about May 26, 2015, the Bureau completed an
10 examination of Respondents BEACH HOUSE REALTY and JEREBI's books
11 and records, pertaining to the activities described in Paragraph
12 4 above, covering a period from May 1, 2012, through October 31,
13 2014, for BEACH HOUSE REALTY, and October 29, 2014 through
14 December 31, 2014, for JEREBI which examinations revealed
15 violations of the Code and of Title 10, Chapter 6, California
16 Code of Regulations (hereinafter Regulations) as set forth below.

17 6. The examination described in Paragraph 5, above,
18 determined that, in connection with the activities described in
19 Paragraph 4 above, Respondents accepted or received funds,
20 including funds in trust (hereinafter "trust funds") from or on
21 behalf of principals, and thereafter made deposit or disbursement
22 of such funds.

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27 Accusation of Beach House Realty.

1 7. In the course of activities described in Paragraphs
2 4 through 6 and during the examination period described in
3 Paragraph 5, Respondents BEACH HOUSE REALTY, JEREBI and JOSEPH P.
4 ECONOMOU acted in violation of the Code and the Regulations as
5 follows, and as more specifically set forth as follows:

6 BEACH HOUSE REALTY

7 Audit Report No: SD 140036 and exhibits

8 a. Violated Code Section 10145(a) and Regulation
9 2832.1 by maintaining as of October 31, 2014 a trust account
10 shortage of \$69,425.02. There were unidentified and unaccounted
11 for funds totaling \$3,146.

12 b. Violated Code Section 10145 and Regulation 2831 by
13 failing to maintain a control record that was accurate and
14 complete for each trust account.

15 c. Violated Code Section 10145 and Regulation 2832 by
16 collecting trust funds in the form of rent receipts and failing
17 to place said funds into a trust account within three business
18 days following receipt of funds. The trust accounts were not
19 designated as trust accounts.

20 d. Violated Code Section 10145 and Regulation 2831.1
21 by failing to maintain accurate and complete separate records for
22 each beneficiary or property.

23 e. Violated Code Section 10145 and Regulation 2831.2
24 by not maintaining complete and accurate monthly reconciliations
25 of all the separate records to the control record.

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1 f. Violated Code Sections 10176(e) and 10145 by
2 commingling trust funds with funds belonging to Respondents.

3 g. Violated Regulation 2834 by allowing unlicensed and
4 unbonded trust account signatories.

5 h. Violated Regulation 2731 by using the unlicensed
6 fictitious business name Islander Realty in Respondents' real
7 estate business.

8 i. Violated Code Section 10161.8 and Regulation 2752
9 by failing to notify the Bureau of the employment of salesperson
10 Jacqueline H.

11 j. Violated Regulation 2725 by failing to establish
12 policies, rules, procedures and systems to review, oversee, and
13 inspect the handling of trust funds by licensees and employees.

14 JEREBI

15 Audit Report No. SD 140035 and exhibits

16 a. Violated Code Section 10145(a) and Regulation
17 2832.1 by maintaining as of December 31, 2014, a trust account
18 shortage of \$2,633.15.

19 b. Violated Code Section 10145 and Regulation 2832 in
20 that an account used to hold trust funds was not designated as a
21 trust account.

22 c. Violated Code Section 10145 and Regulation 2831.2
23 by not maintaining complete and accurate monthly reconciliations
24 of all the separate records to the control record.

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1 d. Violated Code Section 10130 by conducting license
2 activities prior to obtaining a real estate license.

3 e. Violated Code Section 10162 and Regulation 2715 by
4 failing to notify the Bureau in a timely manner of the change of
5 its main office address from 1050 Isabella Ave. Apt. A, Coronado
6 to 1047 B. Avenue, Coronado.

7 f. Violated Regulation 2731 by using the unlicensed
8 fictitious business name Islander Realty in Respondents' real
9 estate business.

10 g. Violated Regulation 2725 by failing to establish
11 policies, rules, procedures and systems to review, oversee, and
12 inspect the handling of trust funds by licensees and employees.

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14 8. The conduct, acts and/or omissions of Respondents
15 BEACH HOUSE REALTY, JEREBI and JOSEPH P. ECONOMOU, as alleged
16 above, subjects their real estate licenses and license rights to
17 suspension or revocation pursuant to Sections 10165, 10176(e),
18 10177(d) and 10177(g) of the Code.

19 FAILURE TO SUPERVISE

20 9. The conduct, acts and/or omissions of Respondent
21 ECONOMOU, in failing to ensure full compliance with the Real
22 Estate Law is in violation of Code Section 10159.2 and subjects
23 his real estate licenses and license rights to suspension or
24 revocation pursuant to Sections 10177(d), 10177(g), and 10177(h)
25 of the Code.

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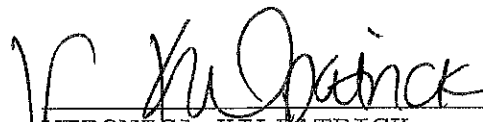
1 COST RECOVERY

2 Code Section 10106 provides, in pertinent part, that in
3 any order issued in resolution of a disciplinary proceeding
4 before the bureau, the commissioner may request the
5 administrative law judge to direct a licensee found to have
6 committed a violation of this part to pay a sum not to exceed the
7 reasonable costs of the investigation and enforcement of the
8 case.

9 WHEREFORE, Complainant prays that a hearing be
10 conducted on the allegations of this Accusation and that upon
11 proof thereof, a decision be rendered imposing disciplinary
12 action against all licenses and license rights of Respondents
13 BEACH HOUSE REALTY, JEREBI and JOSEPH P. ECONOMOU individually
14 and as designated officer of Beach House Realty and JEREBI under
15 the Real Estate Law (Part 1 of Division 4 of the Business and
16 Professions Code), for the cost of investigation and enforcement
17 as permitted by law, and for such other and further relief as may
18 be proper under other applicable provisions of law.

19 Dated at San Diego, California

20 this 18th day of October, 2015.

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22 VERONICA KILPATRICK
23 Supervising Special Investigator

24 cc: Beach House Realty
25 JEREBI
26 Joseph P. Economou
27 Veronica Kilpatrick
Sacto.

Accusation of Beach House Realty.