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At all times mentioned, Respondent MATHIS & ASSOCIATES INC (M&A) was and is licensed by the State of California Department of Real Estate (Department) as a real estate broker corporation.

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At all times mentioned, Respondent BARRY VANCE MATHIS (MATHIS) was and is licensed by the Department individually as a real estate broker, and as the designated broker officer of M&A. As said designated officer-broker, MATHIS was responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of the officers, agents, real estate licensees, and employees of M&A for which a license is required.

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Whenever reference is made in an allegation in this Accusation to an act or omission of MATHIS, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with M&A committed such acts or omissions while engaged in furtherance of the business or operation of M&A and while acting within the course and scope of their corporate authority and employment.

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At all times mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers in the State of California, within the meaning of Section 10131(b) of the Code in the operation and conduct of a property management business with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondents leased or rented and offered to lease or rent, and placed for rent, and solicited listings of places for rent, and solicited for prospective tenants of real property or improvements thereon, and collected rents from real property or improvements thereon.

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1 FIRST CAUSE OF ACTION

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3 Each and every allegation in Paragraphs 1 through 6, inclusive, is
4 incorporated by this reference as if fully set forth herein.

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6 On or about March 12, 2012, and continuing intermittently through May 25, 2012,
7 an audit was conducted of the records of Respondents. The auditor herein examined the records
8 for the period of March 1, 2011, through March 30, 2012.

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10 While acting as a real estate broker as described in Paragraph 6, Respondents
11 accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in
12 connection with the leasing, renting, and collection of rents on real property or improvements
13 thereon, as alleged herein, and thereafter from time to time made disbursements of said trust
14 funds.

15 10

16 The trust funds accepted or received by Respondents as described in Paragraph 9
17 were deposited or caused to be deposited by Respondents into trust accounts which were
18 maintained by Respondents for the handling of trust funds, and thereafter from time-to-time
19 Respondents made disbursements of said trust funds, identified as follows:

20

| ACCOUNT # 1 | |
|----------------------------|---|
| 21 Bank Name and Location: | Mechanics Bank, P.O. Box 6995, Portland, OR 97228-6995 |
| 22 Account No.: | xxxx6342 |
| 23 Entitled: | Mathis & Associates Inc 24 DBA Property MGMT Solutions 25 Trust Account |

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2 In the course of the activities described in Paragraph 6, Respondents:

3 (a) caused, suffered, or permitted the balance of funds in Account #1 to be
4 reduced to an amount which, as of March 30, 2012, was approximately \$153,677.45 less than the
5 aggregate liability of Account #1 to all owners of such funds, without the prior written consent of
6 each and every owner of such funds, in violation of Section 10145 of the Code and Section
7 2832.1 of Title 10 of the California Code of Regulations (Regulations);

8 (b) failed to maintain a written control record, for Account #1, of all trust
9 funds received and disbursed, containing all information required by Section 2831 of the
10 Regulations;

11 (c) failed to keep accurate separate records for each beneficiary or transaction,
12 accounting therein for all funds which were deposited into Account #1, containing all of the
13 information required by Section 2831.1 of the Regulations;

14 (d) failed to reconcile, for Account #1, the balance of separate beneficiary or
15 transaction records with the control record of trust funds received and disbursed at least once a
16 month, and/or failed to maintain a record of such reconciliations for each account as required by
17 Section 2831.2 of the Regulations;

18 (e) commingled with its own money or property, the money or property of
19 others which was received or held by Respondents in trust in violation of Section 10176(e) of the
20 Code; and

21 (f) failed to retain for three years, as required by Section 10148(a) of the
22 Code, copies of all transaction documents related to Respondents management of the property
23 owned by Guy and Lisa Gates, in connection with transactions for which a real estate license is
24 required; and

25 (g) operated the real estate business, under the fictitious business names of
26 "Intero Real Estate Services" and "Property Management Solutions Partners" without obtaining a
27 license bearing said fictitious business name in violation of Section 2731 of the Regulations.

Respondents commingled and/or converted trust funds in connection with the property management activities described in Paragraph 6. Respondents converted and/or commingled said trust funds to Respondents own use and benefit or to purposes not authorized by the rightful owners of said funds. The amount of said commingled and converted trust funds is unknown, but well known to Respondents, and is not less than \$100,000.

The facts alleged in the First Cause of Action are grounds for the suspension or revocation of Respondents licenses and license rights under the following sections of the Code and Regulations:

(1) As to Paragraph 11(a), under Section 10177(d) of the Code in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

(2) As to Paragraph 11(b), under Section 10177(d) of the Code in conjunction with Section 10145 of the Code and Section 2831 of the Regulations;

(3) As to Paragraph 11(c), under Section 10177(d) of the Code in conjunction with Section 2831.1 of the Regulations;

(4) As to Paragraph 11(d), under Section 10177(d) of the Code in conjunction with Section 2831.2 of the Regulations;

(5) As to Paragraph 11(e), under Section 10176(e) of the Code;

(6) As to Paragraph 11(f), under Section 10177(d) of the Code in conjunction with Section 10148(a) of the Code;

(7) As to Paragraph 11(g), under Section 10177(d) of the Code in conjunction with Section 10159.5 of the Code and Section 2731 of the Regulations;

(8) As to Paragraph 12, under Sections 10176(e), 10176(i), and/or 10177(g).

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