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FILED

AUG 29 2013

BUREAU OF REAL ESTATE

By L. Jones

8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

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12 In the Matter of the Accusation of)
13 LORI A. SLADE,)
14 Respondent.)

No. H-6013 SAC
ACCUSATION

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16 The Complainant, TRICIA D. SOMMERS, a Deputy Real Estate Commissioner
17 of the State of California, for Accusation against Respondent LORI A. SLADE (SLADE), is
18 informed and alleges as follows:

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20 The Complainant makes this Accusation against Respondent in her official
21 capacity.

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23 SLADE is presently licensed by the Bureau of Real Estate (the Bureau) as a real
24 estate broker.

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26 At no time mentioned herein was Lynn Moule licensed by the Bureau as a real
27 estate salesperson or real estate broker.

At all times herein mentioned, SLADE 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 compensation or in expectation of compensation, collected rents from tenants on behalf of landlords, offered to rent and performed other duties regarding property owned by landlords.

FIRST CAUSE OF ACTION

Beginning on August 28, 2012, through September 17, 2012, an audit was conducted of SLADE's property management activities at its main office located at 314 Washington Street and 332 Pine Street, Red Bluff, California, where the auditor examined records for the period of July 1, 2010, through July 31, 2012 (the audit period).

While acting as a real estate broker as described in Paragraph 4, above, and within the audit period, SLADE accepted or received funds in trust (trust funds) from tenants on behalf of landlords in connection with the property management activities, and deposited, or caused to be deposited, those funds into a bank account located at Cornerstone Community Bank, 237 South Main Street, Red Bluff, California 960080, maintained by SLADE as follows:

Bank Account #1, Account No. XXXXXX3156, entitled "Lynne T. Moule DBA Bus. Connections Landlord Support"; and thereafter, from time to time, made disbursements of said trust funds.

In the course of the activities described in Paragraph 4, in connection with the collection and disbursement of trust funds, SLADE:

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- 1 (a) Failed to designate Bank Account #1 as a trust account as required by
2 Section 2832 of Chapter 6, Title 10, California Code of Regulations
3 (Regulations);
- 4 (b) Allowed Lynne Moule and Linda Caudle, unlicensed salespersons for
5 whom SLADE did not obtain security bonds, to withdraw trust funds
6 from Bank #1, in violation of Section 2834(a)(1) of the Regulations;
- 7 (c) Allowed a shortage of \$2,211.30, based on an accountability for Bank
8 Account #1, as of July 31, 2012, in violation of Section 10145 of the
9 Code;
- 10 (d) Maintained an interest bearing account into which she deposited trust
11 funds and allowed some of the interest to inure to her benefit, in violation
12 of Section 2830.1 of the Regulations;
- 13 (e) Failed to maintain a record of trust funds received and paid out as
14 required by Section 2831 of the Regulations;
- 15 (f) Failed to reconcile, on a monthly basis, the balance of all separate
16 beneficiary records with the control records as required by Section
17 2831.2 of the Regulations;
- 18 (g) Mixed non-trust funds with trust funds in violation of Section 2835 of the
19 Regulations and Section 10176(e);
- 20 (h) Failed to obtain a license for a Branch Office located at 332 Pine Street
21 office as required by Section 10163 of the Code;
- 22 (i) Failed to register LSS or Business Connections as fictitious names with
23 the Department as required by Section 10159.5 of the Code; and,
- 24 (j) Hired Lynne Moule, an unlicensed person, to conduct licensed activities
25 in violation of Section 10137 of the Code.

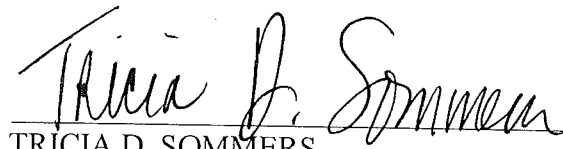
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The acts and/or omissions of SLADE as alleged above violate Sections 2731 (fictitious business name), 2830.1 (interest bearing account), 2831 (control records), 2831.2 (trust account reconciliation), 2832 (trust fund handling) and 2834 (trust fund withdrawals) of the Regulations and Section 10137 (employing/compensation unlicensed persons), 10145 (trust fund handling), 10159 (fictitious name), 10163 (branch office) and 10176(e) (commingling) of the Code and are grounds for discipline under Sections 10137, 10176(e), 10177(d) (willful disregard/violation of real estate law) and 10177(g) (negligence/incompetence) of the Code.

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

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.


TRICIA D. SOMMERS
Deputy Real Estate Commissioner

Dated at Sacramento, California,
this 29th day of August, 2013.