

FILED

MAY 01 2015

BUREAU OF REAL ESTATE

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8
9 BEFORE THE BUREAU OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of
13 OMEGA HOME LOANS, INC.
14 and RICHARD LAW,

15 Respondents.

No. H-6249 SAC

ACCUSATION

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17 The Complainant, HEATHER NISHIMURA, a Deputy Real Estate
18 Commissioner of the State of California, for Accusation against Respondents OMEGA HOME
19 LOANS, INC. (OHL) and PAUL LAW (LAW), sometimes collectively referred to as
20 Respondents, is informed and alleges as follows:

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22 The Complainant makes this Accusation against Respondents in her official
23 capacity.

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25 OHL is presently licensed and/or has license rights under the Real Estate Law,
26 Part 1 of Division 4 of the California Business and Professions Code (Code) by the Bureau of
27 Real Estate (Bureau) as a corporate real estate broker.

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LAW is presently licensed and/or has license rights under the Code as a real estate broker.

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At all times mentioned herein, LAW was the designated broker-officer of OHL. As the designated broker-officer, LAW was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of officers, agents, real estate licensees and employees of OHL for which a real estate license is required to ensure the compliance of the corporation with the Real Estate law and the Regulations.

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At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers 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, Respondents leased or rented or offered to lease or rent, or placed for rent, or solicited listings of places for rent, or solicited for prospective tenants, or negotiated the sale, purchase or exchange of leases on real property, or on a business opportunity, or collected rents from tenants.

FIRST CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 5, above, and incorporates them herein by reference.

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Beginning on November 6, 2014, and continuing intermittently through January 9, 2015, an audit was conducted at OHL's main office located at 1721 E. Main Street, Suite 1, Grass Valley, California, and at the Bureau's district office located at 1651 Exposition Blvd., Sacramento, California, where the auditor examined records for the period of September 1,

1 2013, through September 30, 2014 (the audit period).

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3 While acting as a real estate broker as described in Paragraph 5, above, and
4 within the audit period, OHL accepted or received funds in trust (trust funds) from or on behalf
5 of property owners, lessees and others in connection with property management activities,
6 deposited or caused to be deposited those funds into bank accounts maintained by OHL, at
7 WestAmerica Bank, 375 Brunswick Road, Grass Valley, CA 95945, as described below:

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TRUST ACCOUNT #1	
Account No.:	XXXXXX687-3
Entitled:	Omega Home Loans Inc Db a Paul Law Property Management Common Client Trust Account

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12 and thereafter, from time to time made disbursement of said trust funds.

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15 In the course of the activities described in Paragraph 5, in connection with the
16 collection and disbursement of trust funds, it was determined that:

- 17 (a) During an accountability on Trust Account #1, and as of September 30, 2014,
18 a shortage of \$2,166.80 was revealed, in violation of Section 10145 of the
19 Code;
- 20 (b) Respondent failed to gain written permission from the owners of trust funds,
21 to allow the balance to fall below accountability, in violation of Section
22 2832.1 of the California Code of Regulations (Regulations);
- 23 (c) Two unlicensed and unbonded individuals, Nancy Law and Dana Law, were
24 signatories to Trust Account #1, in violation of Section 2834 of the Code;
- 25 (d) That Respondent failed to balance all separate records with the record of all
26 trust funds received and disbursed for Trust Account #1, as required by
27 Section 2831.2 of the Regulations;

- 1 (e) Trust Account #1 was titled "Omega Home Loans Inc DBA Paul Law
2 Property Management Common Client Trust Account". However, Paul Law
3 Property Management was not a licensed DBA by the Bureau, in violation of
4 Section 2832 of the Regulations;
- 5 (f) As of March 2014, OHL's corporation status with the California Secretary of
6 State was suspended for failure to pay fees to the Franchise Tax Board, in
7 violation of Section 2742 of the Regulations; and
- 8 (g) OHL performed property management activities under the fictitious name
9 "Paul Law Property Management", which was not licensed with the Bureau as
10 required by Section 2731 of the Regulations.

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12 The acts and/or omissions described in Paragraphs 7 through 9, above, constitute
13 violations of Sections 2731 (fictitious name), 2742 (corporation in good standing required),
14 2831.2 (monthly reconciliations), 2832 (trust fund designation), 2832.1 (written permission
15 balance below accountability) and 2834 (trust fund signatories) of the Regulations and of
16 Section 10145 (trust fund handling) of the Code and are grounds for discipline under Section
17 10177(d) (willful disregard of real estate laws) and 10177(g) (negligence/incompetence
18 licensee) of the Code.

19 SECOND CAUSE OF ACTION

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21 Complainant refers to Paragraphs 1 through 10, above, and incorporates them
22 herein by reference.

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24 At all times herein above mentioned, LAW was responsible as the supervising
25 designated broker/officer for OHL, for the supervision and control of the activities conducted on
26 behalf of OHL's business by its employees to ensure its compliance with the Real Estate Law
27 and Regulations. LAW failed to exercise reasonable supervision and control over the property

1 management activities of OHL. In particular, LAW permitted, ratified and/or caused the conduct
2 described above to occur, and failed to take reasonable steps, including but not limited to, the
3 handling of trust funds, supervision of employees, and the implementation of policies, rules, and
4 systems to ensure the compliance of the business with the Real Estate Law and the Regulations.

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6 The above acts and/or omissions of LAW violate Section 2725 (broker
7 supervision) of the Regulations and Section 10159.2 (responsibility/designated officer) of the
8 Code and constitute grounds for disciplinary action under the provisions of Sections 10177(d),
9 10177(g) and 10177(h) (broker supervision) of the Code.

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11 Audit Costs

12 The acts and/or omissions of Respondents, as alleged above, entitle the Bureau to
13 reimbursement of the costs of its audits pursuant to Section 10148(b) (audit costs for trust fund
14 handling violations) of the Code.

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16 Costs of Investigation and Enforcement

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

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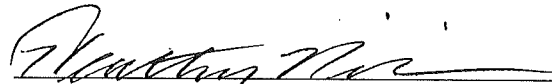
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1 WHEREFORE, Complainant prays that a hearing be conducted on the
2 allegations of this Accusation and that upon proof thereof a decision be rendered imposing
3 disciplinary action against all licenses and license rights of Respondents under the Real Estate
4 Law, and for such other and further relief as may be proper under other provisions of law.
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9 HEATHER NISHIMURA
Deputy Real Estate Commissioner

10 Dated at Sacramento, California,
11 this 15th day of April, 2015.
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