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FILED

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BUREAU OF REAL ESTATE

By S. Black

8 BEFORE THE
9 BUREAU OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)
13)
14 STONE CREEK REALTY INC.,) NO. H-6309 SAC
15 a Corporation, and)
16 CHRISTOPHER PATRICK JAEGER,) ACCUSATION
17)
18 Respondents.)

17 The Complainant, TRICIA PARKHURST, a Supervising Special Investigator of
18 the State of California, makes this Accusation in her official capacity against STONE CREEK
19 REALTY INC. (herein "SCR") and CHRISTOPHER PATRICK JAEGER (herein "JAEGER")
20 (collectively "Respondents"), is informed and alleges as follows:

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22 At all times herein mentioned, Respondents were and now are licensed and/or
23 have license rights under the Real Estate Law (Part 1 of Division 4 of the Business and
24 Professions Code) (herein "the Code").

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26 At all times herein mentioned, SCR was and now is licensed by the State of
27 California Bureau of Real Estate (herein "the Bureau") as a corporate real estate broker by and

1 through JAEGER as designated officer-broker of SCR to qualify said corporation and to act for
2 said corporation as a real estate broker.

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4 At all times herein mentioned, JAEGER was and now is licensed by the Bureau as
5 the designated officer-broker of SCR. As said designated officer-broker, JAEGER was at all
6 times mentioned herein responsible pursuant to Section 10159.2 of the Code for the supervision
7 of the activities of the officers, agents, real estate licensees, and employees of SCR for which a
8 license is required.

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10 Whenever reference is made in an allegation in this Accusation to an act or
11 omission of SCR, such allegation shall be deemed to mean that the officers, directors, employees,
12 agents and/or real estate licensees employed by or associated with SCR committed such act or
13 omission while engaged in the furtherance of the business or operations of such corporate
14 respondent and while acting within the course and scope of their authority and employment.

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16 At all times herein mentioned Respondents engaged in the business of, acted
17 in the capacity of, advertised, or assumed to act as real estate brokers wherein, on behalf of
18 others, for compensation or in expectation of compensation within the State of California
19 within the meaning of Section 10131(b) of the Code, including the operation and conduct of a
20 property management business with the public wherein, Respondents leased or rented or
21 offered to lease or rent, or placed for rent, or solicited listings or places for rent, or solicited
22 for prospective tenants, or negotiated the sale, purchase or exchanges of leases on real
23 property or on a business opportunity, or collected rents from real property, or improvements
24 thereon, or from business opportunities.

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26 In so acting as real estate brokers as described in Paragraph 5, above,
27 Respondents accepted or received funds in trust (herein "trust funds") from or on behalf of

1 tenants, owners, and others in connection with real estate leasing, renting, and collection of rents
2 on real property or improvements thereon, and thereafter from time to time made disbursements
3 of said funds.

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5 The aforesaid trust funds accepted or received by Respondents were deposited or
6 caused to be deposited by Respondents into one or more bank accounts (herein "trust fund
7 accounts") maintained by Respondents for the handling of trust funds at the Rancho Cordova,
8 California branch of Wells Fargo bank, under account names:

- 9 (a) "Stone Realty Inc. Trust Account," account number xxxxxx2366
10 (herein "Trust Account #1") and
11 (b) "Stone Creek Realty Inc.," account number xxxxxx8738 (herein
12 "Bank Account #2").

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14 Between about February 2, 2015 and about March 10, 2015, an audit was
15 conducted of the records of Respondents in connection with the activities described in
16 Paragraphs 5, 6 and 7, above. The auditor herein examined the records for the period between
17 about November 1, 2013 and about November 30, 2014, and found Respondents:

- 18 (a) caused, suffered or permitted the balance of funds in SCR Trust
19 Account #1 and Bank Account #2 to be reduced to amounts, which
20 as of November 30, 2014, were approximately \$31,981.11 and
21 \$6,206.13, respectively, less than the aggregate liability of SCR to
22 all owners of such funds, without the prior written consent of the
23 owners of such funds, in violation of Section 2832.1 of Chapter 6,
24 Title 10, of the California Code of Regulations (herein "the
25 Regulations");
26 (b) failed to place the trust funds entrusted to Respondent into the hands
27 of a principal on whose behalf the funds were received, into a neutral

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escrow depository, or into a trust fund account in the name of Respondents as trustees at a bank or other financial institution for Bank Account #2, in conformance with the requirements of Section 10145 of the Code and Section 2832 the Regulations; and

- (c) failed to reconcile at least once a month, the balance of all separate beneficiary or transaction records with Trust Account #1 and Bank Account #2, as required by Section 2831.2 of the Regulations.

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The facts alleged above are grounds for the suspension or revocation of the licenses and license rights of Respondents under the following provisions of the Code and Regulations:

- (a) as to Paragraph 8(a) under Section 2832.1 of the Regulations in conjunction with Section 10177(d) of the Code;
- (b) as to Paragraph 8(b) under Section 10145 of the Code and Section 2832 of the Regulations in conjunction with Section 10177(d) of the Code; and
- (c) as to Paragraph 8(c) under Section 2831.2 of the Regulations in conjunction with Section 10177(d) of the Code.

COST RECOVERY

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Audit Costs

The acts and/or omissions of Respondents as alleged above entitle the Bureau to reimbursement of the costs of its audit pursuant to Section 10148(b) of the Code.

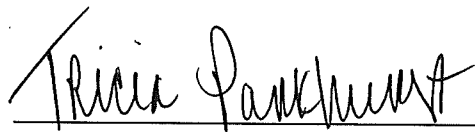
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Investigation and Enforcement Costs

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, the Commissioner may request the

1 Administrative Law Judge to direct a licensee found to have committed a violation of this part to
2 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

3 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
4 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
5 action against all licenses and license rights of Respondents under the Real Estate Law (Part 1
6 of Division 4 of the Business and Professions Code), for the cost of the investigation and
7 enforcement as permitted by law, and for such other and further relief as may be proper under
8 other applicable provisions of law.

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12 TRICIA PARKHURST
13 Supervising Special Investigator
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16 Dated at Sacramento, California
17 this 14th day of August, 2015.
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