

FILED

OCT 14 2015

BUREAU OF REAL ESTATE

By S. Black

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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 GREGORY S. RUSSELL,)

14 Respondent.)

No. H-6314 SAC

ACCUSATION

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17 The Complainant, ROBIN S. TANNER, a Supervising Special Investigator of the
18 State of California, for Accusation against Respondent GREGORY S. RUSSELL (RUSSELL),
19 is informed and alleges as follows:

20 1

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

23 2

24 RUSSELL is presently licensed and/or has license rights under the California
25 Business and Professions Code (Code) by the Bureau of Real Estate (Bureau), as a real estate
26 broker.

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At all times herein mentioned, RUSSELL engaged in the business of, acted in the capacity of, advertised, or assumed to act as 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. RUSSELL 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.

Beginning on March 23, 2015, and continuing intermittently through April 20, 2015, an audit was conducted at RUSSELL'S main office located on 965 East Yosemite Ave., Suite 1A, Manteca, California, where the auditor examined records for the period of January 1, 2014, through January 31, 2015 (the audit period).

While acting as a real estate broker as described in Paragraph 3, above, and within the audit period, RUSSELL accepted or received funds in trust (trust funds) from or on behalf of property owners, lessees and others in connection with property management activities, deposited or caused to be deposited those funds into bank accounts maintained by RUSSELL, at Union Bank, P. O. Box 512380, Los Angeles CA 90051, as described below:

BANK ACCOUNT #1	
Account No.:	XXXXXXX0738
Entitled:	MainStreet Realtors Rental Acct

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

In the course of the activities described in Paragraph 3, in connection with the collection and disbursement of trust funds, it was determined that:

- (a) RUSSELL failed to designate Bank Account #1 as a trust account as required by Section 2832 of Chapter 6, Title 10, California Code of Regulations (Regulations);
- (b) During an accountability performed on Bank Account #1, as of January 30, 2015, a shortage of \$18,252.19 was revealed, in violation of Section 10145 of the Code;
- (c) RUSSELL failed to obtain written permission from owners of trust funds in Bank Account #1 to allow the balance to drop below accountability, in violation of Section 2832.1 of the Regulations;
- (d) RUSSELL failed to maintain control records for Bank Account #1, as required by Section 2831 of the Regulations;
- (e) RUSSELL failed to maintain separate beneficiary records for Bank Account #1 as required by Section 2831.1 of the Regulations; and
- (f) RUSSELL failed to perform monthly reconciliations of the separate beneficiary records and control records for Bank Account #1, as required by Section 2831.2 of the Regulations.

The acts and/or omissions described above constitute violations of Sections 2831 (control records), 2831.1 (separate beneficiary records), 2831.2 (monthly reconciliations), 2832 (trust fund designation) and 2832.1 (written permission balance below accountability) of the Regulations and of Section 10145 (trust fund handling) of the Code and are grounds for discipline under Section 10177(d) (willful disregard of real estate laws) and/or 10177(g) (negligence/incompetence licensee) of the Code.

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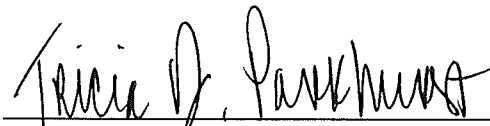
Audit Costs

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

Costs of Investigation and Enforcement

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 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 Business and Professions Code, for the cost of the Bureau's audit as permitted by law, for the cost of investigation and enforcement, as permitted by law, and for such other and further relief as may be proper under other provisions of law.



TRICIA D. PARKHURST
Supervising Special Investigator

Dated at Sacramento, California,
this 16th day of October, 2015.