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FILED

JAN 31 2017

BUREAU OF REAL ESTATE

By B. Nicholas

8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of :

12 JAB PROPERTY MANAGEMENT, INC.

13 Respondents.

14) No. H- 6491 SAC

15) ACCUSATION

16 The Complainant, TRICIA D. PARKHURST, a Supervising Special Investigator
17 of the State of California, for cause of Accusation against JAB PROPERTY MANAGEMENT,
18 INC. ("Respondent") is informed and alleges as follows:

19 PRELIMINARY ALLEGATIONS

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21 The Complainant, TRICIA D. PARKHURST, a Supervising Special Investigator
22 of the State of California, makes this Accusation in her official capacity.

23 2

24 Respondent is presently licensed and/or has license rights under the Real Estate
25 Law, Part 1 of Division 4 of the Business and Professions Code ("Code"). Prior to March 4,
26 2016, Respondent was not licensed by the State of California Bureau of Real Estate ("Bureau")
27 in any capacity. On March 4, 2016, Respondent became licensed by the Bureau as a corporate
real estate broker.

1 3

2 At all times mentioned herein, Garrett P. Becker was and is licensed by the
3 Bureau individually as a restricted real estate broker. Effective March 4, 2016, Becker became
4 the designated officer of Respondent and therefore became responsible, pursuant to section
5 10159.2 of the Code, for the supervision of the activities of the officers, agents, real estate
6 licensees and employees of Respondent for which a real estate license is required. Prior to
7 March 4, 2016, Respondent had no designated officer.

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9 At no time mentioned herein was David W. Beck licensed by the Bureau in any
10 capacity.

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12 At no time mentioned herein was Ronald Johnson licensed by the Bureau in any
13 capacity.

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15 At no time mentioned herein was Lemuel Wayne Beck licensed by the Bureau in
16 any capacity.

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18 At no time mentioned herein was Sandra Lile licensed by the Bureau in any
19 capacity.

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21 At no time mentioned herein was Silvia Salas licensed by the Bureau in any
22 capacity.

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24 At all times mentioned herein, Respondent engaged in the business of, acted in the
25 capacity of, advertised, or assumed to act as a real estate broker within the State of California
26 within the meaning of Sections 10131(b) of the Code, including the operation and conduct of a
27 property management business with the public wherein, on behalf of others, for compensation or

1 in expectation of compensation, Respondent leased or rented and offered to lease or rent, and
2 solicited for prospective tenants of real property or improvements thereon, and collected rents
3 from real property or improvements thereon.

4 10

5 Beginning on or about November 30, 2015, and continuing intermittently through
6 January 19, 2016, an audit was conducted of Respondent's records. The auditor herein examined
7 the records for the period of November 1, 2014, through October 31, 2015.

8 11

9 While acting as a real estate licensee as described in Paragraph 9, Respondent
10 accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in
11 connection with the leasing, renting, and collection of rents on real property or improvements
12 thereon, as alleged herein, and thereafter from time-to-time made disbursements of said trust
13 funds.

14 12

15 The trust funds accepted or received by Respondent, as described in Paragraph 11,
16 were deposited or caused to be deposited by Respondent into trust accounts which were
17 maintained by Respondent for the handling of trust funds, and thereafter, from time-to-time,
18 Respondent made disbursements of said trust funds, identified as follows:

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BANK ACCOUNT # 1	
Bank Name and Location:	Oak Valley Community Bank 2935 W. March Lane Stockton, CA 95219
Account No.:	XXXX2178
Entitled:	JAB Property Management Inc. Maintenance Service
Signatories:	David W. Beck (unlicensed) Ronald Johnson (unlicensed) Lemuel Wayne Beck (unlicensed)

TRUST ACCOUNT # 1	
Bank Name and Location:	Oak Valley Community Bank 2935 W. March Lane Stockton, CA 95219
Account No.:	XXXX2194
Entitled:	JAB Property Management Inc. Trust Account
Signatories:	David W. Beck (unlicensed) Ronald Johnson (unlicensed) Lemuel Wayne Beck (unlicensed)

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In the course of the activities described above in Paragraph 9, Respondent:

(a) caused, suffered, or permitted the balance of funds in Bank Account #1 to contain a shortage of \$604,779.81 without the prior written consent of each and every owner of such funds, in violation of section 10145 of the Code and section 2832.1 of title 10, California Code of Regulations ("Regulations");

(b) caused, suffered or permitted the balance of funds in Trust Account #1 to contain a shortage of \$14,090.00 without the prior written consent of each and every owner of such funds, in violation of section 10145 of the Code and section 2832.1 of the Regulations;

(c) failed to maintain separate records for each beneficiary or property of trust funds accepted or received for Bank Account #1 and Trust Account #1 in violation of Section 10145(g) of the Code and Section 2831.1 of the Regulations;

///

1 (d) failed to reconcile at least once a month, the balance of all separate
2 beneficiary or transaction records with the balance of the control records for Bank Account #1
3 and Trust Account #1 in violation of Section 10145 of the Code and Section 2831.2 of the
4 Regulations;

5 (e) allowed unlicensed entity JAB PROPERTY MANAGEMENT, INC. and
6 unlicensed individuals Sandra Lile and Silvia Salas to perform property management activities
7 without first obtaining a California real estate license in violation of Section 10130 and 10131(b)
8 of the Code;

9 (f) allowed unlicensed individuals David Wayne Beck, Lamuel Wayne Beck,
10 and Ronald Johnson to serve as an authorized signors on Bank Account #1 and Trust Account
11 #1, without providing for fidelity bond coverage, in violation of Section 10145 of the Code and
12 Section 2834 of the Regulations; and

13 (g) failed to designate Bank Account #1 as a trust account in violation of
14 Section 10145 of the Code and Section 2832 of the Regulations.

15 14

16 The acts and/or omissions of Respondent, as alleged above in Paragraph 13
17 constitute grounds for the suspension or revocation of all licenses and license rights of
18 Respondent pursuant to the following provisions of the Code and Regulations:

19 As to Paragraph 13(a), under Section 10177(d) and/or 10177(g) of the Code, in
20 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

21 As to Paragraph 13(b), under Section 10177(d) and/or 10177(g) of the Code, in
22 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

23 As to Paragraph 13(c), under Section 10177(d) and/or 10177(g) of the Code, in
24 conjunction with Section 10145(g) of the Code and Section 2831.1 of the Regulations;

25 As to Paragraph 13(d), under Section 10177(d) and/or 10177(g) of the Code, in
26 conjunction with Section 10145 of the Code and Section 2831.2 of the Regulations;

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1 As to Paragraph 13(e), under Sections 10176(e), 10177(d) and/or 10177(g) of the
2 Code, in conjunction with Sections 10130 and 10131(b) of the Code;

3 As to Paragraph 13(f), under Section 10177(d) and/or 10177(g) of the Code, in
4 conjunction with Section 10145 of the Code and Section 2834 of the Regulations; and

5 As to Paragraph 13(g), under Section 10177(d) and/or 10177(g) of the Code, in
6 conjunction with Section 10145 of the Code and Section 2832 of the Regulations.

7 COST RECOVERY.

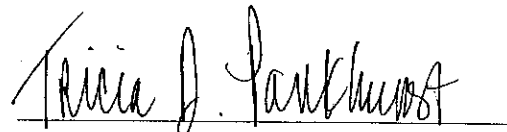
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9 The acts and/or omissions of Respondent, as alleged above, entitle the Bureau to
10 reimbursement of the costs of its audit pursuant to Section 10148(b) (audit costs for trust fund
11 handling violation) of the Code.

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13 Section 10106 of the Code provides, in pertinent part, that in any order issued in
14 resolution of a disciplinary proceeding before the Bureau, the Commissioner may request the
15 Administrative Law Judge to direct a licensee found to have committed a violation of this part to
16 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

17 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
18 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
19 action against all licenses and license rights of Respondent under the Code, for the cost of the
20 audit, investigation, and enforcement as permitted by law, and for such other and further relief as
21 may be proper under other provisions of law.

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23 TRICIA D. PARKHURST
24 Supervising Special Investigator

25 Dated at Sacramento, California,
26 this 27th day of January, 2017.

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DISCOVERY DEMAND

Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the Bureau of Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the *Administrative Procedure Act*. Failure to provide Discovery to the Bureau of Real Estate may result in the exclusion of witnesses and documents at the hearing or other sanctions that the Office of Administrative Hearings deems appropriate.

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