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FILED

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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 OMEGA HOME LOANS, INC., and RICHARD
13 ALAN LAW,
14 Respondents.

CalBre No. H-6505 SAC
ACCUSATION

15 The Complainant, THOMAS D. CAMERON, a Supervising Auditor of the State
16 of California, for cause of Accusation against OMEGA HOME LOANS, INC., and RICHARD
17 ALAN LAW (collectively "Respondents"), are informed and allege as follows:

18 PRELIMINARY ALLEGATIONS

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20 The Complainant, THOMAS D. CAMERON, a Supervising Auditor of the State
21 of California, makes this Accusation in his official capacity.

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23 Respondents are presently licensed and/or have license rights under the Real
24 Estate Law, Part 1 of Division 4 of the Business and Professions Code (Code).

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At all times mentioned, Respondent OMEGA HOME LOANS, INC. (OMEGA) was and is licensed by the State of California Bureau of Real Estate (Bureau) as a real estate broker corporation.

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At all times mentioned, Respondent RICHARD ALAN LAW (LAW) was and is licensed by the Bureau individually as a real estate broker, and as the designated broker officer of OMEGA. As said designated broker officer, LAW was responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of the officers, agents, real estate licensees, and employees of OMEGA for which a license is required.

5

Whenever reference is made in an allegation in this Accusation to an act or omission of OMEGA, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with OMEGA committed such acts or omissions while engaged in furtherance of the business or operation of OMEGA and while acting within the course and scope of their corporate authority and employment.

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At all times mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers in the State of California, within the meaning of Section 10131(b) of the Code in 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 and offered to lease or rent, and placed for rent, and solicited listings of places for rent, and solicited for prospective tenants of real property or improvements thereon, and collected rents from real property or improvements thereon.

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1 FIRST CAUSE OF ACTION

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3 Each and every allegation in Paragraphs 1 through 6, inclusive, is incorporated by
4 this reference as if fully set forth herein.

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6 On or about November 22, 2016, and continuing intermittently through January
7 27, 2017, an audit was conducted of the records of OMEGA. The auditor herein examined the
8 records for the period of March 15, 2016, through October 31, 2016.

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10 While acting as a real estate broker as described in Paragraph 6, Respondents
11 accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in
12 connection with the leasing, renting, and collection of rents on real property or improvements
13 thereon, as alleged herein, and thereafter from time-to-time made disbursements of said trust
14 funds.

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16 The trust funds accepted or received by Respondents as described in Paragraph 9
17 were deposited or caused to be deposited by Respondents into trust accounts which were
18 maintained by Respondents for the handling of trust funds, and thereafter from time-to-time
19 Respondents made disbursements of said trust funds, identified as follows:

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ACCOUNT # 1	
21 Bank Name and Location:	WestAmerica Bank 375 Brunswick Road Grass Valley, CA 95945
22 Account No.:	XXX-XX687-3
23 Entitled:	Omega Homes Loans, Inc. DBA Paul Law Property Management Common Client Trust Account

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ACCOUNT # 2	
Bank Name and Location:	Bank of America P.O. Box 25118 Tampa, FL 33622-5118
Account No.:	XXXX XXXX 0138
Entitled:	900 E. Main C/O First Commercial Properties
Entitled:	Omega Homes Loans, Inc. DBA Paul Law Property Management Common Client Trust Account

ACCOUNT # 3	
Bank Name and Location:	Bank of America P.O. Box 25118 Tampa, FL 33622-5118
Account No.:	XXXX XXXX 4692
Entitled:	Elizabeth K. Johnson 1976 Trust Sunrise 775
Entitled:	Omega Homes Loans, Inc. DBA Paul Law Property Management Common Client Trust Account

ACCOUNT # 4	
Bank Name and Location:	Bank of America P.O. Box 25118 Tampa, FL 33622-5118
Account No.:	XXXX XXXX 1008
Entitled:	Marjorie J. Yates Auburn Ravine Shopping Center
Entitled:	Omega Homes Loans, Inc. DBA Paul Law Property Management Common Client Trust Account

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ACCOUNT # 5	
Bank Name and Location:	Bank of America P.O. Box 25118 Tampa, FL 33622-5118
Account No.:	XXXX XXXX 1064
Entitled:	Elizabeth K. Johnson 1976 Trust Meadowmont Center

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In the course of the activities described in Paragraph 6, Respondents:

(a) caused, suffered, or permitted the balance of funds in Account #1 to be reduced to an amount which, as of August 31, 2016, was approximately \$2,738.38 less than the aggregate liability of Account #1 to all owners of such funds in violation of Section 10145 of the Code and Section 2832.1 of Title 10 of the California Code of Regulations (Regulations);

(b) failed to deposit trust funds into one or more trust funds accounts in the name of OMEGA as trustee at a bank or other financial institution, in conformance with Section 10145 of the Code and Section 2832 of the Regulations;

(c) failed to reconcile the balance of separate beneficiary or transaction records with the control record of trust funds received and disbursed at least once a month, and/or failed to maintain a record of such reconciliations for Account #1, as required by Section 2831.2 of the Regulations; and

(d) failed to keep accurate separate records for each beneficiary or transaction, accounting therein for all funds which were deposited into Account #1 containing all of the information required by Section 2831.1 of the Regulations.

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The facts alleged in the First Cause of Action are grounds for the suspension or revocation of Respondents' licenses and license rights under the following Sections of the Code and Regulations:

1 As to Paragraph 11(a), under Section 10177(d) and/or 10177(g) of the Code in
2 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

3 As to Paragraph 11(b), under Sections 10177(d) and/or 10177(g) of the Code in
4 conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

5 As to Paragraph 11(c), under Sections 10177(d) and/or 10177(g) of the Code in
6 conjunction with Section 10145 of the Code and Section 2831.2 of the Regulations; and

7 As to Paragraph 11(d), under Sections 10177(d) and/or 10177(g) of the Code in
8 conjunction with Section 10145 of the Code and Section 2831.1 of the Regulations.

9 SECOND CAUSE OF ACTION

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11 Each and every allegation in Paragraphs 1 through 12, inclusive, is incorporated
12 by this reference as if fully set forth herein.

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14 Respondent LAW failed to exercise reasonable supervision over the acts of
15 OMEGA in such a manner as to allow the acts and events described above to occur.

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17 The acts and/or omissions of LAW as described in Paragraph 14, constitutes
18 failure on the part of LAW, as designated broker-officer for OMEGA, to exercise reasonable
19 supervision and control over the licensed activities of OMEGA as required by Section 10159.2
20 of the Code and Section 2725 of the Regulations.

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22 The facts described above as to the Second Cause of Action constitute cause for
23 the suspension or revocation of the licenses and license rights of Respondent LAW under Section
24 10177(g) and/or Section 10177(h) of the Code, and Section 10159.2 of the Code in conjunction
25 with Section 10177(d) of the Code.

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1 PREVIOUS ADMINISTRATIVE PROCEEDINGS

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3 Effective March 15, 2016, in Case No. H-6249 SAC, the Real Estate
4 Commissioner issued an Order which suspended the real estate broker license of Respondents for
5 sixty (60) days, stayed upon terms and conditions, for violation of Sections 2726 and 2832 of the
6 Regulations, and Section 10177(g) of the Code.

7 COST RECOVERY


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9 The acts and/or omissions of Respondents 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.

12 19

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 discipline on all
19 licenses and license rights of Respondents under the Real Estate Law (Part 1 of Division 4 of the
20 Business and Professions Code), for the cost of the investigation and enforcement of this case as
21 permitted by law, for the cost of the Bureau's audit as permitted by law, and for such other and
22 further relief as may be proper under the provisions of law.

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26 THOMAS D. CAMERON
27 Supervising Auditor

26 Dated at Sacramento, California,

27 this 21st day of February, 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.