

FILED

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BUREAU OF REAL ESTATE

By H. Diaz

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BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of

TIMOTHY THOMAS KATZAKIAN,

Respondent.

No. H-6580 SAC

ACCUSATION

The Complainant, TRICIA D. PARKHURST, a Supervising Special Investigator of the State of California, for Accusation against Respondent TIMOTHY THOMAS KATZAKIAN (KATZAKIAN), is informed and alleges as follows:

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The Complainant makes this Accusation against KATZAKIAN in her official capacity.

2

KATZAKIAN is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (Code), by the Bureau of Real Estate (Bureau) as a real estate broker doing business as Ted Katzakian Property Management and TKPM.

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At all times herein mentioned, KATZAKIAN engaged in the business of, acted in the capacity of, advertised, or assumed to act as a 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, KATZAKIAN 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 exchanges of leases on real property, or on a business opportunity, or collected rents from real property, or improvements thereon, or from business opportunities.

FIRST CAUSE OF ACTION

Complainant refers to Paragraphs 1 through 3, above, and incorporates the same, herein by reference.

Beginning on September 1, 2016, and continuing intermittently through February 16, 2017, an audit was conducted at KATZAKIAN's main office located at 777 South Hamm Lane, Lodi, California, and at the Bureau's district office located at 1651 Exposition Blvd, Sacramento, California, where the auditor examined records for the period of December 1, 2013, through July 31, 2016 (the audit period).

While acting as a real estate broker as described in Paragraph 3, above, and within the audit period, KATZAKIAN accepted or received funds in trust (trust funds) from or on behalf of property owners, lessees and others in connection with property management activities, and deposited or caused to be deposited those funds into bank accounts maintained by KATZAKIAN at Umpqua Bank, 89 Lakewood Mall, Lodi, California 95242, as described below:

BANK ACCOUNT #1	
Account No.:	XXXXXX0749
Entitled:	Ted Katzakian Co., Inc. TKPM Lehr Pekk Receiver
BANK ACCOUNT #2	
Account No.:	XXXXXX3942
Entitled:	Ted Katzakian Co., Inc. Burton Court Apts Marysville
TRUST ACCOUNT #1	
Account No.:	XXXXXX6831
Entitled:	Ted Katzakian Co., Inc. Property Management Trust Account
TRUST ACCOUNT #2	
Account No.:	XXXXXX7009
Entitled:	Ted Katzakian Co., Inc. Property Management Trust Account

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

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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) KATZAKIAN failed to designate Bank Account #1 and Bank Account #2 as trust accounts as required by Section 2832 of the Regulations and Section 10145 of the Code;

(b) An accountability was performed on Bank Account #1 and as of February 26, 2016, a shortage of \$186.60 was revealed, in violation of Section 10145 of the Code;

(c) An accountability was performed on Trust Account #1 and as of June 30, 2016, a shortage of \$163,399.17 was revealed, in violation of Section 10145 of the Code;

1 (d) KATZAKIAN failed to obtain written permission from owners of trust
2 funds in Bank Account #1 and Trust Account #1, to allow the balance to drop below
3 accountability, in violation of Section 2832.1 of the Regulations;

4 (e) KATZAKIAN over disbursed property management fees in the amount
5 of approximately \$120,351.04, to himself for personal use, including but not limited to, making
6 mortgage payments on his own real property, in violation of Section 2835 of the regulations and
7 Sections 10176(a), 10176(c), 10176(e), 10176(g) and 10176(i) of Code; and

8 (f) KATZAKIAN used an unlicensed entity, Ted Kazakian Co., Inc., in
9 violation of Section 2731 of the Regulations.

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11 The acts and/or omissions described above constitute violations of Sections 2731
12 (register fictitious business name), 2832 (trust account designation), 2832.1 (written permission
13 balance below accountability) and 2835 (commingling) of the Regulations, and of Sections
14 10145 (trust fund handling) and 10176(a) (substantial misrepresentation), 10176(c) (continued
15 course of misrepresentation, 10176(e) (commingling), 10176(g) (secret compensation) and
16 10176(i) (other conduct fraud/dishonest behavior) of the Code; and are grounds for discipline
17 under Sections 10176(a), 10176(c), 10176(e), 10176(g), 10176(i), 10177(d) (willful disregard of
18 real estate laws) and 10177(g) (negligence/incompetence licensee) of the Code.

19 SECOND CAUSE OF ACTION

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21 Complainant refers to Paragraphs 1 through 8, above, and incorporates the same,
22 herein, by reference.

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24 The audit describe above, in Paragraph 8 (e), revealed that KATZAKIAN
25 withdrew trust funds for his personal use, including, but not limited to those set forth below:

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Month/Year	Total Earned	Total Disbursed	(Overage) Under
January 2015	\$12,132.25	\$22,697.28	(\$10,565.05)
June 2015	\$11,969.04	\$9,257.36	\$2,711.68
September 2015	\$12,154.25	\$20,595.75	(\$8,441.50)
November 2015	\$11,960.13	\$11,578.47	\$381.66
April 2016	\$13,022.98	\$18,932.99	(\$5,910.01)
June 2016	\$12,147.52	\$13,187.07	(\$1,039.55)

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The acts and/or omissions described above constitute violations of Sections 10176(a), 10176(c), 10176(e), 10176(g) and 10176(i) of the Code, and are grounds for discipline under Sections 10176(a), 10176(c), 10176(e), 10176(g), and 10176(i) of the Code.

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Audit Costs

The acts and/or omissions of KATZAKIAN, 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.

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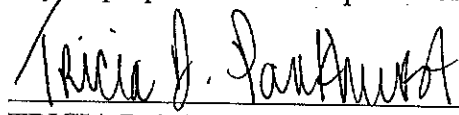
Costs of Investigation and Enforcement

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.

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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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6 TRICIA D. PARKHURST
7 Supervising Special Investigator

8 Dated at Sacramento, California,

9 this 1st day of August, 2017.