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BUREAU OF REAL ESTATE
By B. Nicholas

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8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of:)
12) NO. H-6606 SAC
13 DAVIS BERK REALTY, INC.,)
14 MOHAMMAD SIDDIQUE,) ACCUSATION
15 HEIDI WING VAN, and)
16 RENT CITY PROPERTY)
MANAGEMENT, INC.,)
Respondents.)

17 The Complainant, TRICIA D. PARKHURST, in her official capacity as a
18 Supervising Special Investigator of the State of California, for cause of Accusation against DAVIS
19 BERK REALTY, INC. ("DAVIS BERK"), MOHAMMAD SIDDIQUE ("SIDDIQUE"), HEIDI
20 WING VAN ("VAN"), and RENT CITY PROPERTY MANAGEMENT, INC. ("RENT CITY"),
21 (collectively referred to as "Respondents"), is informed and alleges as follows:

22 1

23 Respondent DAVIS BERK is presently licensed by the California Bureau of Real
24 Estate ("the Bureau") and/or has license rights under the Real Estate Law, Part 1 of Division 4 of
25 the California Business and Professions Code ("the Code"), as a corporate real estate broker.

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1 Respondent SIDDIQUE is presently licensed and/or has license rights under the
2 Real Estate Law as an individual real estate broker and, at all relevant times, was the designated
3 broker officer of DAVIS BERK. As the designated broker/officer, SIDDIQUE was responsible,
4 pursuant to Section 10159.2 of the Code, for the supervision of the activities of the officers, agents,
5 real estate licensees and employees of DAVIS BERK for which a real estate license is required.

6 3

7 Respondent VAN is presently licensed and/or has license rights under the Real
8 Estate Law as an individual real estate salesperson. At all relevant times SIDDIQUE served as
9 VAN's sponsoring broker.

10 4

11 Respondent RENT CITY is presently licensed and/or has license rights under the
12 Real Estate Law as a corporate real estate broker. On January 19, 2017, RENT CITY obtained its
13 corporate real estate broker license. At no time prior to January 19, 2017 was RENT CITY licensed
14 by the Bureau in any capacity. From the time that RENT CITY obtained its corporate real estate
15 broker license, to the present day, SIDDIQUE has served as the designated broker/officer of RENT
16 CITY.

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18 Whenever reference is made in an allegation in this Accusation to an act or omission
19 of DAVIS BERK and/or RENT CITY, such allegation shall be deemed to mean that the employees,
20 agents, real estate licensees, and others employed by or associated with DAVIS BERK and/or
21 RENT CITY committed such act or omission while engaged in furtherance of the business or
22 operations of DAVIS BERK and/or RENT CITY and while acting within the course and scope of
23 their authority and employment.

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25 At all times herein mentioned, Respondents engaged in the business of, acted in the
26 capacity of, advertised, or assumed to act as a corporate real estate broker within the State of
27 California on behalf of others, for compensation or in expectation of compensation within the

1 meaning of Section 10131(b) of the Code, including the operation and conduct of a property
2 management business with the public wherein, on behalf of others, for compensation, leased or
3 rented or offered to lease or rent, or placed for rent, or solicited listings of places for rent, or
4 solicited for prospective tenants, or negotiated for sale, purchase or exchanges of leases on real
5 property, or on a business opportunity, or collected rent from real property, or improvements
6 thereon, or from business opportunities.

7 **COUNT ONE**
8 **AUDIT VIOLATIONS**
9 (As to all Respondents)

7

10 Each and every allegation in paragraphs 1 through 6, inclusive, above, is
11 incorporated by this reference as if fully set forth herein.

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12 Beginning August 8, 2016, and continuing intermittingly until October 28, 2016, the
13 Bureau conducted an audit of the books and records related to the real estate activities of
14 Respondents at 9323 Laguna Springs Drive, #110, Elk Grove, CA 95758. The auditor examined
15 records for the period of June 1, 2015, to June 30, 2016 ("audit period").
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17 While acting as real estate brokers as described above in paragraph 6, and within the
18 audit period, Respondents accepted or received funds in trust ("trust funds") and deposited or
19 caused the trust funds to be deposited into bank accounts maintained by Respondents, and
20 thereafter, from time-to-time, Respondents made disbursements of said trust funds, identified as
21 follows:
22

23 **Bank Account #1**

24 Bank Name: Wells Fargo
25 Account No.: Last 4 Digits: xxxxxx6559
26 Account Name: Rent City Property Management, Inc.
27 Signatories: Heidi Van (RES), Karl Lui (RES), and
Thomas Quach (unlicensed)

1 Purpose: Used for the handling of trust funds from property
2 management activities. Specifically it was used to hold
3 deposits and make distributions.

4 Bank Account #2

5 Bank Name: Wells Fargo
6 Account No.: Last 4 Digits: xxxxxx6575
7 Account Name: Rent City Property Management, Inc.
8 Signatories: Heidi Van (RES), Karl Lui (RES), and
9 Thomas Quach (unlicensed)

10 Purpose: Used for the handling of trust funds from property
11 management activities. Specifically, it was used to hold
12 beneficiaries' security deposits.

13 Bank Account #3

14 Bank Name: Wells Fargo
15 Account No.: Last 4 Digits: xxxxxx9645
16 Account Name: Rent City Property Management, Inc.
17 Signatories: Heidi Van (RES), Karl Lui (RES), and
18 Thomas Quach (unlicensed)

19 Purpose: This account was used for the handling of trust funds from
20 property management activities. Specifically, it was used to
21 receive, maintain and transfer tenants' rent payments.

22 Bank Account #4

23 Bank Name: Wells Fargo
24 Account No.: Last 4 Digits: xxxxxx6567
25 Account Name: Rent City Property Management, Inc.
26 Signatories: Unknown

27 Purpose: During the audit period, this account held deposits of trust
funds from Bank Account #1 and Bank Account #2 totaling
\$20,000.

Bank Account #5

Bank Name: Wells Fargo
Account No.: Last 4 Digits: xxxxxx1571
Account Name: Rent City Property Management, Inc.
Signatories: Heidi Van (RES)

Purpose: During the audit period, this account held deposits of trust
funds from Bank Account #2 totaling \$111,200.00.

1 consent of each and every owner of such funds, in violation of Section 10145 of the Code, and
2 Section 2832.1 of the Regulations;

3 (c) transferred \$10,000.00 in trust funds from Bank Account #1 into Bank
4 Account #4 and transferred \$10,000.00 in trust funds from Bank Account #3 into Bank Account #4,
5 without recording the disbursement or obtaining written consent from the beneficiaries of the trust
6 funds, and then appropriated \$13,333.17 of the combined \$20,000.00 of trust funds from Bank
7 Account #4 to pay for non-trust account related general business expenses, in violation of Section
8 10176(i) of the Code;

9 (d) transferred \$111,200.00 in trust funds from Bank Account #2 into VAN's
10 personal bank account in order to conduct real estate transactions with third parties for VAN's
11 personal benefit, without the written consent of the beneficiaries of the trust funds, in violation of
12 Section 10176(i) of the Code;

13 (e) caused or permitted funds of others, which were received and held in trust
14 accounts, to be commingled with Respondents' own money, in violation of Section 10176(e) of the
15 Code;

16 (f) failed to maintain complete and accurate records of all trust funds received
17 and disbursed (control record) for Bank Account #1 and Bank Account #2, in violation of Section
18 10145 of the Code, and Section 2831 of the Regulations;

19 (g) failed to maintain and/or keep accurate and complete separate records for
20 NAS Development, HOA Banh, and each beneficiary or property of trust funds accepted or
21 received in Bank Account #3, in violation of Section 10145(g) of the Code, and Section 2831.1 of
22 the Regulations;

23 (h) failed to reconcile at least once per month, the balance of all separate
24 beneficiary or transaction records to the balance of the control records for Bank Account #1 and
25 Bank Account #2, in violation of Section 10145 of the Code, and Section 2831.2 of the Regulations;

26 (i) failed to properly designate Bank Account #1, Bank Account #2, Bank
27 Account #3, Bank Account #5, and Bank Account #6 as trust accounts in the name of a licensee as

1 trustee, in violation of Section 10145 of the Code, and Section 2832 of the Regulations;

2 (j) failed to properly designate Respondent SIDDIQUE as the signatory on Bank
3 Account #1, Bank Account #2, Bank Account #3, Bank Account #5, and Bank Account #6, in
4 violation of Section 10145 of the Code, and Section 2834 of the Regulations;

5 (k) allowed unlicensed signer Thomas Quach to serve as an authorized signatory
6 on Bank Account #1, Bank Account #2, and Bank Account #3 without providing for fidelity bond
7 coverage, in violation of Section 10145 of the Code, and Section 2834 of the Regulations;

8 (l) maintained an interest-bearing account (Bank Account #6) that held trust
9 funds for more than a single beneficiary, in violation of Section 10145(d) of the Code;

10 (m) failed to obtain a real estate license for RENT CITY before conducting
11 activities for which a license was required, in violation of Section 10130 of the Code;

12 (n) conducted real estate activities at 9323 Laguna Springs Drive, Suite 110, Elk
13 Grove, CA 95758, without first procuring a real estate license for that office location, in violation of
14 Section 10162 of the Code, and Section 2715 of the Regulations; and

15 (o) failed to disclose RENT CITY's license number on the corporation's website
16 and business cards in violation of Section 10140.6(b) of the Code, and Section 2773 of the
17 Regulations.

18 11

19 The acts and/or omissions of Respondents, as alleged above in paragraph 10,
20 constitute grounds for the suspension or revocation of all licenses and license rights of Respondents
21 pursuant to the following provisions of the Code and Regulations:

22 As to Paragraph 10(a), under Section 10177(d) and/or 10177(g) of the Code, in
23 conjunction with Section 10145 of the Code, and Section 2832.1 of the Regulations;

24 As to Paragraph 10(b), under Section 10177(d) and/or 10177(g) of the Code, in
25 conjunction with Section 10145 of the Code, and Section 2832.1 of the Regulations;

26 As to Paragraph 10(c), under Section 10177(d) and/or 10177(g) of the Code, in
27 conjunction with Section 10176(i) of the Code;

1 As to Paragraph 10(d), under Section 10177(d) and/or 10177(g) of the Code, in
2 conjunction with Section 10176(i) of the Code;

3 As to Paragraph 10(e), under Section 10177(d) and/or 10177(g) of the Code, in
4 conjunction with Section 10176(e) of the Code;

5 As to Paragraph 10(f), under Section 10177(d) and/or 10177(g) of the Code, in
6 conjunction with Section 10145 of the Code, and Section 2831 of the Regulations;

7 As to Paragraph 10(g), under Section 10177(d) and/or 10177(g) of the Code, in
8 conjunction with Section 10145(g) of the Code, and Section 2831.1 of the Regulations;

9 As to Paragraph 10(h), under Section 10177(d) and/or 10177(g) of the Code, in
10 conjunction with Section 10145 of the Code, and Section 2831.2 of the Regulations;

11 As to Paragraph 10(i), under Section 10177(d) and/or 10177(g) of the Code, in
12 conjunction with Section 10145 of the Code, and Section 2832 of the Regulations;

13 As to Paragraph 10(j), under Section 10177(d) and/or 10177(g) of the Code, in
14 conjunction with Section 10145 of the Code, and Section 2834 of the Regulations;

15 As to Paragraph 10(k), under Section 10177(d) and/or 10177(g) of the Code, in
16 conjunction with Section 10145 of the Code, and Section 2834 of the Regulations;

17 As to Paragraph 10(l), under Section 10177(d) and/or 10177(g) of the Code, in
18 conjunction with Section 10145(d) of the Code;

19 As to Paragraph 10(m), under Section 10177(d) and/or 10177(g) of the Code, in
20 conjunction with Section 10130 of the Code;

21 As to Paragraph 10(n), under Section 10177(d) and/or 10177(g) of the Code, in
22 conjunction with Section 10162 of the Code, and Section 2715 of the Regulations; and

23 As to Paragraph 10(o), under Section 10177(d) and/or 10177(g) of the Code, in
24 conjunction with Section 10140.6(b) of the Code, and Section 2773 of the Regulations.

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