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5	BUREAU OF REAL ESTATE					
6	By D.M.Cholds					
7						
8	BEFORE THE BUREAU OF REAL ESTATE					
-9	STATE OF CALIFORNIA					
10	* * *					
11	In the Matter of the Accusation of:)) NO. H-6606 SAC					
12	DAVIS BERK REALTY, INC.,					
13	MOHAMMAD SIDDIQUE,) <u>ACCUSATION</u> HEIDI WING VAN, and)					
14	RENT CITY PROPERTY)					
15	MANAGEMENT, INC.,)					
16	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, pursuant to Section 10159.2 of the Code, for the supervision of the activities of the officers, agents, 4 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 by the Bureau in any capacity. From the time that RENT CITY obtained its corporate real estate 14 15 broker license, to the present day, SIDDIQUE has served as the designated broker/officer of RENT 16 CITY. 17 5 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, 20agents, 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 operations of DAVIS BERK and/or RENT CITY and while acting within the course and scope of 22 23 their authority and employment. 24 6 25 At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as a corporate real estate broker within the State of 26 California on behalf of others, for compensation or in expectation of compensation within the 27

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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, 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 for sale, purchase or exchanges of leases on real
 property, or on a business opportunity, or collected rent from real property, or improvements
 thereon, or from business opportunities.

<u>COUNT ONE</u> <u>AUDIT VIOLATIONS</u> (As to all Respondents)

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

Beginning August 8, 2016, and continuing intermittingly until October 28, 2016, the
Bureau conducted an audit of the books and records related to the real estate activities of
Respondents at 9323 Laguna Springs Drive, #110, Elk Grove, CA 95758. The auditor examined
records for the period of June 1, 2015, to June 30, 2016 ("audit period").

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While acting as real estate brokers as described above in paragraph 6, and within the
audit period, Respondents accepted or received funds in trust ("trust funds") and deposited or
caused the trust funds to be deposited into bank accounts maintained by Respondents, and
thereafter, from time-to-time, Respondents made disbursements of said trust funds, identified as
follows:

Bank Account #1

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Bank Name:Wells FargoAccount No.:Last 4 Digits: xxxxx6559Account Name:Rent City Property Management, Inc.Signatories:Heidi Van (RES), Karl Lui (RES), and
Thomas Quach (unlicensed)

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1 2		Purpose:	Used for the handling of trust funds from property management activities. Specifically it was used to hold deposits and make distributions.
3		Bank Account #2	
4		Bank Name:	Wells Fargo
5		Account No.: Account Name:	Last 4 Digits: xxxxx6575
6		Signatories:	Rent City Property Management, Inc. Heidi Van (RES), Karl Lui (RES), and Thomas Quagh (unlighted)
7		Purpose:	Thomas Quach (unlicensed) Used for the handling of trust funds from property
8			management activities. Specifically, it was used to hold beneficiaries' security deposits.
9		Bank Account #3	
10		Bank Name:	Wells Fargo
11		Account No.: Account Name:	Last 4 Digits: xxxxx9645 Rent City Property Management, Inc.
12	ł	Signatories:	Heidi Van (RES), Karl Lui (RES), and Thomas Quach (unlicensed)
13		Purpose:	This account was used for the handling of trust funds from
14			property management activities. Specifically, it was used to receive, maintain and transfer tenants' rent payments.
15		Bank Account #4	
16		Bank Name:	Wells Fargo
17		Account No.: Account Name:	Last 4 Digits: xxxxx6567 Rent City Property Management, Inc.
18		Signatories:	Unknown
19		Purpose:	During the audit period, this account held deposits of trust funds from Bank Account #1 and Bank Account #2 totaling
20			\$20,000.
21]	Bank Account #5	
22		Bank Name:	Wells Fargo
23	1	Account No.: Account Name:	Last 4 Digits: xxxxx1571 Rent City Property Management, Inc.
24		Signatories: Purpose:	Heidi Van (RES) During the audit period, this account held deposits of trust
25		in 🔺 de parade	funds from Bank Account #2 totaling \$111,200.00.
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b.			
1	Bank Account #6		
2	Bank Name: Wells Fargo		
3	Account No.:Last 4 Digits: xxxxx3791Account Name:Rent City Property Management, Inc.		
4	Signatories: Heidi Van (RES)		
5	Purpose: During the audit period, this account held deposits of trust funds from Bank Account #5 totaling \$111,200.00.		
6	Bank Account #7		
7	Bank Name: Wells Fargo		
8	Account No.:Last 4 Digits: xxxxx8323Account Name:Heidi W. Van, Karl Lui		
9	Signatories:Heidi Van (RÉS)Purpose:During the audit period, this account held deposits of trust		
1 0	funds from Bank Account #6 totaling \$21,588.30.		
11	Bank Account #8		
12	Bank Name: Wells Fargo		
13	Account No.:Last 4 Digits: xxxxx6675Account Name:Heidi W. Van, Paul Van		
14	Signatories:Heidi Van (RES)Purpose:During the audit period, this account held deposits of trust		
15	funds from Bank Account #7 totaling \$21,588.30.		
16	10		
17	In the course of the real estate broker activities described above in paragraph 6, and		
18	during the audit period, Respondents:		
19	(a) caused, suffered, or permitted the balance of funds in Bank Account #1 to		
20	be reduced to an amount which, as of June 30, 2016, was approximately \$71,165.62 less than the		
21	aggregate liability of Bank Account #1 to all owners of such funds, without the prior written		
22	consent of each and every owner of such funds, in violation of Section 10145 of the Code, and		
23	Section 2832.1, Title 10, California Code of Regulations ("the Regulations");		
24	(b) caused, suffered, or permitted the balance of funds in Bank Account #2 to		
25	be reduced to an amount which, as of June 30, 2016, was approximately \$235,077.32 less than the		
26	aggregate liability of Bank Account #2 to all owners of such funds, without the prior written		
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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;

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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

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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 maintained an interest-bearing account (Bank Account #6) that held trust (1) 9 funds for more than a single beneficiary, in violation of Section 10145(d) of the Code; 10 failed to obtain a real estate license for RENT CITY before conducting (m) 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 failed to disclose RENT CITY's license number on the corporation's website (0)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(1), 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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å	1	COUNT TWO
	2	FAILURE TO SUPERVISE (As to Respondent SIDDIQUE)
	3	12
	4	Each and every allegation in Paragraphs 1 through 11, inclusive, above, is
	5	incorporated by this reference as if fully set forth herein.
	6	13
	7	SIDDIQUE, as the designated officer of DAVIS BERK, was required to exercise
	8	reasonable supervision and control over the activities of DAVIS BERK, its employees, and the real
	9	estate activities being conducted by DAVIS BERK.
	10	14
	11	SIDDIQUE failed to exercise reasonable supervision over the acts and/or omissions
	12	of DAVIS BERK and its employees, in such a manner as to allow the acts and/or omissions as
	13	described above in Paragraph 10 of the First Cause of Action to occur, which constitutes cause for
	14	the suspension or revocation of the license(s) and license rights of SIDDIQUE under Sections
	15	10177(d) and/or 10177(g), 10177(h) and 10159.2 of the Code, in conjunction with Section 2725 of
	16	the Regulations.
	17	COST RECOVERY
	18	Audit Costs
	19	15
	20	The acts and/or omissions of Respondents, as alleged above in the First Cause of
	21	Action, entitle the Bureau to reimbursement of the costs of its audit pursuant to Section 10148(b) of
	22	the Code.
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Investigation and Enforcement Costs

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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 revoking all licenses and license
rights of all Respondents named herein under the Real Estate Law, for the cost of investigation and
enforcement as permitted by law, for the cost of the audit 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

16 Dated at Sacramento, California, this day of 17 2018.

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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