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**FILED**  
DEC 12 2022  
DEPARTMENT OF REAL ESTATE  
By J. Taggart

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )  
12 MAJESTIC PROPERTY MANAGEMENT, INC. ) No. H- 7195 SAC  
13 and RICHARD HENRY TRAVASSOS, ) ACCUSATION  
14 Respondents. )

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16 The Complainant, TRICIA D. PARKHURST, a Supervising Special Investigator  
17 of the State of California, for Accusation against Respondents MAJESTIC PROPERTY  
18 MANAGEMENT, INC. (MPM) and RICHARD HENRY TRAVASSOS (TRAVASSOS),  
19 sometimes collectively referred to as Respondents, is informed and alleges as follows:

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21 The Complainant makes this Accusation against Respondents in her official  
22 capacity.

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

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TRAVASSOS is presently licensed and/or has license rights under the Code as a real estate broker.

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At all times mentioned herein, TRAVASSOS was the designated broker-officer of MPM. As the designated broker-officer, TRAVASSOS was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of officers, agents, real estate licensees and employees of MPM for which a real estate license is required to ensure the compliance of the corporation with the Real Estate law and the Regulations.

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At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers 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, Respondents 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

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Complainant refers to Paragraphs 1 through 5, above, and incorporates the same.

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Beginning on March 21, 2022, and continuing intermittently through August 25, 2022, an audit was conducted at the Department’s district office located at 1651 Exposition Blvd., Sacramento, California, where the auditor examined records for the period of February 1, 2021 through January 31, 2022.

While acting as a real estate broker as described in Paragraph 5, above, and within the audit period, MPM 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 MPM, at Farmers and Merchants Bank, 116 W. Pine Street, Lodi, California 95240, as described below:

|                  |  |
|------------------|--|
| TRUST ACCOUNT #1 |  |
| Account No.:     | XXXXXXX8001  |
| Entitled:        | MAJESTIC PROPERTY MANAGEMENT, INC. TRUST ACCOUNT SJC |

|                  |   |
|------------------|---|
| TRUST ACCOUNT #2 |   |
| Account No.:     | XXXXXXX2801   |
| Entitled:        | MAJESTIC PROPERTY MANAGEMENT, INC. TRUST ACCOUNT SACRAMENTO |

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

In the course of the activities described in Paragraph 5, in connection with the collection and disbursement of trust funds, it was determined that:

- (a) An accountability was performed on Trust Account #1 and, as of November 30, 2021, a shortage of \$95,800.79 was revealed, in violation of Section 10145 of the Code; and
- (b) MPM failed to obtain written permission from owners of trust funds in Trust Account #1 to allow the balance to drop below accountability, in violation of Section 2832.1 of the Regulations.

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The acts and/or omissions described above constitute violations of Section 2832.1 of the Real Estate regulations and Section 10145 (trust fund handling) of the Code and are grounds for discipline under Sections 10177(d) (willful disregard of real estate laws) and 10177(g) (negligence/incompetence licensee) of the Code.

SECOND CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 10, above, and incorporates the same, herein, by reference.

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At all times herein above mentioned, TRAVASSOS was responsible, as the supervising designated broker/officer for MPM, for the supervision and control of the activities conducted on behalf of MPM's business by its employees to ensure its compliance with the Real Estate Law and Regulations. TRAVASSOS failed to exercise reasonable supervision and control over the property management activities of MPM. In particular, TRAVASSOS permitted, ratified and/or caused the conduct described above to occur, and failed to take reasonable steps, including but not limited to, the handling of trust funds, supervision of employees, and the implementation of policies, rules, and systems to ensure the compliance of the business with the Real Estate Law and the Regulations.

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The above acts and/or omissions of TRAVASSOS violate Section 2725 (broker supervision) of the Regulations and Section 10159.2 (responsibility/designated officer) of the Code and constitute grounds for disciplinary action under the provisions of Sections 10177(d), 10177(g), and 10177(h) (broker supervision) of the Code.

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Audit Costs

The acts and/or omissions of Respondents, as alleged above, entitle the Department to reimbursement of the costs of its audits pursuant to Section 10148(b) (audit costs for trust fund handling violations) of the Code.

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 Department, 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 imposing disciplinary action against all licenses and license rights of Respondents under the Real Estate Law, and for such other and further relief as may be proper under other provisions of law.

  
TRICIA D. PARKHURST  
Supervising Special Investigator

Dated at Sacramento, California,  
this 7<sup>th</sup> day of December, 2022.

DISCOVERY DEMAND

The Department of Real Estate hereby requests discovery pursuant to Section 11507.6 of the California Government Code. Failure to provide discovery to the Department may result in the exclusion of witnesses and/or documents at the hearing, and other sanctions as the Administrative Law Judge deems appropriate.