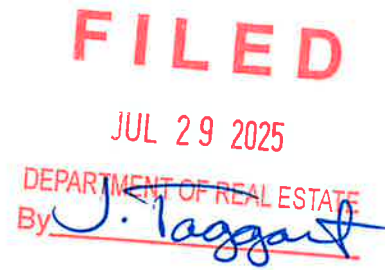


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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

RELiance REAL ESTATE INC,)

and)

KHAKSAR AHMAD, individually and as)
designated officer of Reliance Real Estate Inc,)

Respondents.)

No. H-7464 SAC

ACCUSATION

The Complainant, HEATHER NISHIMURA, a Supervising Special
Investigator of the State of California, for cause of Accusation against RELiance
REAL ESTATE INC and KHAKSAR AHMAD (collectively referred to as
“Respondents”), is informed and alleges as follows:

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The Complainant, HEATHER NISHIMURA, a Supervising Special Investigator
of the State of California, makes this Accusation in her official capacity.

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

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At all times mentioned, Respondent RELIANCE REAL ESTATE INC (“RELIANCE”) was and is licensed by the Department as a real estate broker corporation, License ID 01876463. Unless renewed, RELIANCE’s corporate broker license will expire January 20, 2026.

At all times mentioned, KHAKSAR AHMAD (“AHMAD”) was and is licensed by the Department as the designated officer-broker of RELIANCE. As said designated officer-broker, AHMAD was and is 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 RELIANCE for which a license is required.

At all times mentioned, Respondent AHMAD was and is licensed by the Department individually as a real estate broker, License ID 01346306. Unless renewed, AHMAD’s broker license will expire January 24, 2026.

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

AUDIT SC-23-0102

On or about November 26, 2024, the Department completed its audit (SC-23-0102) of the books and records of RELIANCE’s property management activities described in Paragraph 7. The auditor herein examined the records for the period of January 1, 2023, through April 30, 2024 (“audit period”).

At all times mentioned, Respondents 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 Sections 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 and offered to lease or rent, and solicited for prospective tenants of real property or improvements thereon, and collected rents from real property or improvements thereon.

While acting as a real estate broker as described in Paragraph 7, Respondents accepted or received funds in trust ("trust funds") from or on behalf of owners and tenants in connection with the leasing, renting, and collection of rents on real property or improvements thereon, as alleged herein, and thereafter from time-to-time made disbursements of said trust funds.

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

TRUST ACCOUNT # 1	
Bank Name and Location:	Wells Fargo Bank, N.A. P.O Box 6995 Portland, Oregon 97228-6995
Account No.:	XXXXXX8980
Account Name:	Reliance Real Estate, Inc Real Estate Trust Account
Purpose:	Trust Account #1 was used for deposits and disbursements of trust funds.

In the course of the property management activities described in Paragraph 7, and during the audit period described in Paragraph 6, Respondents violated the Code and various sections of the California Code of Regulations, Title 10, Chapter 6 ("Regulations") described below:

Trust Account Accountability and Balances

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Trust Account #1

Based on the records provided during the audit, a bank reconciliation for Trust Account #1 was prepared as of April 30, 2024. The adjusted bank balance of Trust Account #1 was compared to the trust fund accountability for Trust Account #1.

Adjusted Bank Balance	\$18,059.77
Accountability	<u>\$41,881.31</u>
Unidentified /Unaccounted for Funds	\$232,018.91
Trust Fund Shortage	<u>(\$291,959.99)</u>

Respondents provided no evidence during the audit that the owners of the trust funds had given their written consent to allow Respondents to reduce the balance of the funds in Trust Account #1 and #2 to an amount less than its existing aggregate trust fund liabilities, in violation of Section 10145(a) of the Code and Section 2832.1 of the Regulations.

Separate Records

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Respondents failed to maintain a separate record of the receipt and disposition of all trust funds deposited into Trust Account #1 as required by Section 10145(g) of the Code and Section 2831.1 of the Regulations.

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1 Trust Account Reconciliation

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3 Respondents failed to reconcile the balance of separate beneficiary or transaction
4 records with the control record of trust funds received and disbursed for Trust Account #1 at
5 least once a month, and/or failed to maintain a record of such reconciliations for the bank
6 account holding trust funds as required by section 10145(a) of the Code and 2831.2 of the
7 Regulations.

8 Commingling of Funds

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10 Respondents failed to disburse non-trust funds in the form of earned management
11 fees within twenty-five days (25) days from Trust Account #1 in violation of section 10176(e) of
12 the Code and section 2835 of the Regulations.

13 FAILURE TO SUPERVISE

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15 Respondent AHMAD failed to exercise reasonable supervision over the acts of
16 RELIANCE. AHMAD permitted, ratified and/or caused the conduct described above, to occur,
17 and failed to take reasonable steps, including, but not limited to, the handling of trust funds,
18 supervision of employees, and the implementation of policies, rules, procedures, and systems to
19 ensure the compliance of the corporation with the Real Estate Law and the Regulations.

20 15

21 The acts and/or omissions of AHMAD as described in Paragraph 14, constitute
22 failure on the part of AHMAD, as designated officer-broker for RELIANCE, to exercise
23 reasonable supervision and control over the licensed activities of RELIANCE as required by
24 Section 10159.2 of the Code and Section 2725 of the Regulations.

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The acts and/or omissions of Respondents as alleged in the above paragraphs constitute grounds for the suspension or revocation of all licenses and license rights of Respondents under sections 10176(e) (commingling of funds), 10177(d) (violations of real estate law) and 10177(g) (negligence or incompetence) of the Code.

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The acts and/or omissions of AHMAD as alleged in Paragraphs 14 and 15 constitute grounds for the suspension or revocation of all licenses and license rights of AHMAD under Sections 10177(d) (violations of real estate law), 10177(g) (negligence or incompetence), and 10159.2/10177(h) (failure to reasonably supervise) of the Code.

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

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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 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.

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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against all licenses and license rights of Respondents under the Code, for the cost of
4 investigation and enforcement as permitted by law, for the cost of the audit, and for such other
5 and further relief as may be proper under the provisions of law.

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8 HEATHER NISHIMURA

9 Supervising Special Investigator

10 Dated at Sacramento, California,

11 This 28th day of July, 2025
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16 DISCOVERY DEMAND

17 Pursuant to Sections 11507.6, *et seq.* of the *Government Code*, the Department of
18 Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the
19 *Administrative Procedure Act*. Failure to provide Discovery to the Department of Real Estate
20 may result in the exclusion of witnesses and documents at the hearing or other sanctions that the
21 Office of Administrative Hearings deems appropriate.