

FILED

APR 26 2007

DEPARTMENT OF REAL ESTATE

By Juan Alvarez

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) No. H-8144 SF
ENRICO REGUZZONI,)
Respondent.)

ORDER GRANTING REINSTATEMENT OF LICENSE

On June 23, 2003, a Decision After Rejection was rendered herein revoking the real estate broker license of Respondent effective August 27, 2003, but granting Respondent the right to the issuance of a restricted real estate salesperson license. A restricted real estate salesperson license was issued to Respondent on December 17, 2003, and Respondent has been licensed as a restricted real estate salesperson since that time.

On January 30, 2006, Respondent petitioned for reinstatement of said real estate broker license, and the Attorney General of the State of California has been given notice of the filing of said petition.

///

1 I have considered the petition of Respondent and the
2 evidence and arguments in support thereof. Respondent has
3 demonstrated to my satisfaction that Respondent meets the
4 requirements of law for the issuance to Respondent of an
5 unrestricted real estate broker license and that it would not be
6 against the public interest to issue said license to Respondent.

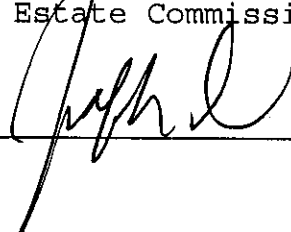
7 NOW, THEREFORE, IT IS ORDERED that Respondent's
8 petition for reinstatement is granted and that a real estate
9 broker license be issued to Respondent if Respondent satisfies
10 the following conditions within nine (9) months from the date of
11 this Order:

12 1. Submittal of a completed application and payment of
13 the fee for a real estate broker license.

14 2. Submittal of evidence of having, since the most
15 recent issuance of an original or renewal real estate license,
16 taken and successfully completed the continuing education
17 requirements of Article 2.5 of Chapter 3 of the Real Estate Law
18 for renewal of a real estate license.

19 This Order shall be effective immediately.

20 DATED: 4-17-07

21 JEFF DAVE
22 Real Estate Commissioner
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FILED

SEP 26 2003

DEPARTMENT OF REAL ESTATE

By Jean Armo

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) NO. H-8144 SF
ENRICO REGUZZONI,)
Respondent.) OAH NO. N-2002100255

ORDER DENYING RECONSIDERATION

On June 23, 2003, a Decision was rendered in the above-entitled matter. The Decision was to become effective at 12 o'clock noon on August 27, 2003.

On August 26, 2003, Respondent petitioned for reconsideration of the Decision of June 23, 2003.

Pursuant to Government Code section 11521(b), the reconsideration has been limited to the record presented at the administrative hearing.

I have given due consideration to the petition of Respondent. I find no good cause to reconsider the Decision of June 23, 2003, and reconsideration is hereby denied.

IT IS HEREBY ORDERED September 25, 2003.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner

Paula Reddish Zinnemann

FILED

AUG 07 2003

DEPARTMENT OF REAL ESTATE

Shelly [Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

No. H-8144 SF

OAH No. N-2002100255

ENRICO REGUZZONI,

Respondent.

DECISION AFTER REJECTION

The matter came on for hearing before Ruth S. Astle, Administrative Law Judge of the Office of Administrative Hearings, State of California, on January 13, 2003 in Oakland, California.

Michael B. Rich, Counsel, represented the Complainant.

Respondent Enrico Reguzzoni was present and represented himself.

Evidence was received, the hearing was closed, and the matter was submitted on January 13, 2003.

1 On February 14, 2003, the Administrative Law Judge
2 rendered a Proposed Decision, which I declined to adopt as my
3 Decision herein. Pursuant to Section 11517(c) of the Government
4 Code of the State of California, Respondent was served with
5 notice of my determination not to adopt the Proposed Decision of
6 the Administrative Law Judge along with a copy of said Proposed
7 Decision. Respondent was notified that I would decide the case
8 upon the record, the transcript of proceedings held on September
9 18, 2002, and upon any written argument offered by Respondent
10 and Complainant. Respondent and Complainant submitted written
11 argument.

12 I have given careful consideration to the record in
13 this case including the transcript of the proceedings of January
14 13, 2003, and the written arguments.

15 The following shall constitute the Decision of the
16 Real Estate Commissioner in this proceeding.

17 FACTUAL FINDINGS

18 1. Les R. Bettencourt made this accusation in his
19 official capacity as a Deputy Real Estate Commissioner of the
20 State of California, and not otherwise.

21 2. Enrico Reguzzoni (respondent) is presently
22 licensed as a real estate broker.

23 3. Within the last three years, Respondent engaged
24 in activities on behalf of others for which a real estate
25 license is required, for and in expectation of compensation, by
26 leasing and/or renting, offering to lease and/or rent,
27

1 soliciting prospective tenants for, collecting rents on and/or
2 managing certain real properties in California.

3 4. Beginning in November of 2001, the Department of
4 Real Estate (Department) conducted an audit of the business
5 activities of Respondent for the time period of January 1, 2001
6 through October 31, 2001. During the course of the activities
7 as set forth in Finding 3, above, Respondent received and
8 disbursed funds in trust on behalf of others.

9 5. Within the last three years, Respondent deposited
10 the trust funds into a bank account at Bay Bank of Commerce in
11 San Ramon, California, bearing account number 1131087, in the
12 name of "Pacific Property Management Trust Account" (Account
13 #1).

14 6. In connection with the collection and
15 disbursement of trust funds, Respondent failed to deposit and
16 maintain the trust funds in a trust account or neutral escrow
17 depository, or to deliver them into the hands of the owners of
18 the funds, as required by law, in such a manner that as of June
19 29, 2001, there was a trust fund shortage in Account #1 in the
20 sum of \$13,069.47.

21 7. Respondent failed to obtain the prior written
22 consents of the principals for the reduction of the aggregate
23 balance of trust funds in the Account #1 to an amount less than
24 the existing aggregate trust fund liability to the owners of the
25 funds in conformance with regulations. Respondent claimed to
26 have the written permission of some of his clients, but did not
27

1 present any documentation of that claim. He admitted that he
2 did not have the prior written consent of all of his clients.

3 8. In connection with the receipt and disbursement
4 of trust funds as set forth above and as set forth in Audit No.
5 OK010075(PM), dated March 15, 2002, Respondent failed to
6 reconcile the balance of separate beneficiary or transaction
7 records with the control records of trust funds received and
8 disbursed at least once a month, and failed to maintain a record
9 of those reconciliations as required by regulations.

10 9. Respondent was audited previously in 1997. A
11 trust fund shortage was identified at that time. The 1997 audit
12 included a routine exit interview. A Corrective Action Letter
13 was sent to Respondent October 31, 1997, indicating that he must
14 make up the shortage and complete monthly reconciliations as
15 required by regulations.

16 10. Respondent postponed the 2001 audit twice because
17 his CPA had his records. Respondent's trust account records
18 were backlogged by more than one year, establishing that he had
19 utterly failed to maintain any reconciliations. Respondent
20 produced a memorandum from his CPA dated November 1, 2001
21 showing that a bank reconciliation had been completed. However,
22 the CPA's reconciliation did not comply with the requirements
23 set forth California Code of Regulations section 2831.2. This
24 was not sufficient to show that Respondent has corrected his
25 business practices.

26 11. It is particularly disturbing that Respondent
27 does not seem to understand the serious nature of his business

1 practices. Respondent seems to believe that just because he has
2 a positive bank balance there is nothing to be concerned about.
3 It is his liability to his clients that he does not have
4 sufficient funds to cover. Had he been compelled to close his
5 account and pay all of his clients he would have had inadequate
6 funds available to do so. The testimony, documentary evidence,
7 and the 2001 audit establish that the 1997 audit, exit
8 interview, and the Corrective Action Letter had no influence
9 whatsoever on Respondent. This is amply noted by the fact that
10 the 1997 shortage was \$5,467.98, whereas the 2001 audit revealed
11 a shortage of \$13,069.47. Respondent continued with the same
12 flagrant failure to maintain proper records.

13 12. Respondent presented no evidence that he has made
14 deposits to the trust account to cover all of his liabilities.
15 He did present some individual account records; nevertheless
16 some of these continued to show a negative balance. He claims
17 that he does not do this any more. However, until Respondent
18 demonstrates that he understands his responsibility to keep his
19 accounts in compliance with the laws, rules and regulations of
20 the Department, it would not be in the public interest to allow
21 Respondent to continue working as a broker. Respondent may
22 continue to work in real estate provided he has a supervising
23 broker.

24 LEGAL CONCLUSIONS

25 1. By reason of the matters set forth in Findings 3
26 through 6, cause for disciplinary action exists pursuant to
27 Business and Professions Code sections 10145 and 10177(d).

1 2. By reason of the matters set forth in Finding 7,
2 cause for disciplinary action exists pursuant to California Code
3 of Regulations section 2832.1.

4 3. By reason of the matters set forth in Finding 8,
5 cause for disciplinary action exists pursuant to California Code
6 of Regulations section 2831.2.

7 4. The statutes relating to Department of Real
8 Estate licensure are designed to protect the public from any
9 potential risk of harm. [*Camacho -v- Youde*, (1975) 95 CA3d 161,
10 165.] The disciplinary procedures are designed to protect the
11 public not only from the conniving real estate salesperson but
12 also from the uninformed, negligent, or unknowledgeable
13 licensee. [*Handeland -v- Dept. of Real Estate*, (1976) 58 CA3d
14 513, 517-518.] The primary goal of licensing laws is to protect
15 the public not only from unscrupulous individuals, but also from
16 irresponsible persons as well. [*Merrill -v- Department of Motor*
17 *Vehicles*, (1969) 71 C2d 907, 918; *Clerici -v- Department of*
18 *Motor Vehicles*, (1990) 224 CA3d 1016, 1029.]

19 5. An interpretation of Section 10177(d) that does
20 not impose disciplinary sanctions when there is a clear
21 violation of a regulatory requirement or prohibition simply
22 because the licensee asserts the violation was unintentional
23 emasculates the law. [*Handeland -v- Dept. of Real Estate*, *supra*,
24 at 517-518.] No merit can be given to a violator's insistent
25 contentions that since his or her acts were in good faith and
26 were not willful, and even when claimed to have been in
27 accordance with legal advice, discipline is improper. The

1 purpose of discipline under the Real Estate Law is not to
2 punish, but to protect the public. [Norman -v- Dept. of Real
3 Estate, (1979) 93 CA3d 768, 778. (Citing Handeland -v-
4 Department of Real Estate, supra.)) By reason of Findings 9
5 through 11, Respondent's violations, as set forth in Findings 3
6 through 8, can not be said to have been unknowing.

7 4. The matters set forth in Findings 9, 10, 11, and
8 12 have been considered in making the following order.

9 ORDER

10 The Broker's license of Respondent ENRICO REGUZZONI is
11 hereby revoked; provided, however, a restricted real estate
12 salesperson license shall be issued to him pursuant to section
13 10156.5 of the Business and Professions Code if Respondent makes
14 application therefore and pays to the Department of Real Estate
15 the appropriate fee for the restricted license within 90 days of
16 the effective date of this Decision. The restricted license
17 issued shall be subject to all the provisions of the law and as
18 follows:

19 1. The license shall not confer any property right
20 in the privileges to be exercised, and the Real Estate
21 Commissioner may by appropriate order suspend the right to
22 exercise any privileges granted under this restricted license in
23 the event of:

24 a. Respondent's conviction, including by a plea of
25 nolo contendere, of a crime which is
26 substantially related to Respondent's fitness or
27 capacity as a real estate licensee.

1 b. Receipt of evidence that Respondent has violated
2 provision of the California Real Estate Law, the
3 Subdivided Lands Law, Regulation of the Real
4 estate Commissioner or conditions attaching to
5 the restricted license.

6 2. Respondent shall not be eligible to apply for the
7 issuance of an unrestricted real estate license nor the removal
8 of any of the conditions, limitations or restrictions attaching
9 to the restricted license until two years have elapsed from the
10 date of issuance of the restricted license to Respondent.

11 3. With the application for license, or with the
12 application for transfer to a new employing broker, Respondent
13 shall submit a statement signed by the prospective employing
14 real estate broker on a form RE 552 (Rev.4/88) approved by the
15 Department of Real Estate, which shall certify as follows:

16 a. That the employing broker has read the decision
17 which is the basis for the issuance of the
18 restricted license; and

19 b. That the employing broker will carefully review
20 all transaction documents prepared by the
21 restricted licensee and otherwise exercise close
22 supervision over the licensee's performance of
23 acts for which a real estate license is required.

24 4. Respondent shall, prior to and as a condition of
25 the issuance of the restricted license, submit proof
26 satisfactory to the Commissioner of having taken and
27 successfully completed the continuing education course on trust

1 fund accounting and handling specified in subdivision (a) of
2 Section 10170.5 of the Business and Professions Code. Proof of
3 satisfaction of this requirement includes evidence that
4 Respondent has successfully completed the trust fund account
5 and handling continuing education course within 120 days prior
6 to the issuance of a restricted salesperson license.

7 5. Respondent shall, within nine (9) months from the
8 effective date of this Decision, present evidence satisfactory
9 to the Real Estate Commissioner that Respondent has, since the
10 most recent issuance of an original or renewal real estate
11 license, taken and successfully completed the continuing
12 education requirements of Article 2.5 of Chapter 3 of the Real
13 Estate Law for renewal of a real estate License. If Respondent
14 fails to satisfy this condition, the Commissioner may order the
15 suspension of the restricted license until Respondent presents
16 such evidence. The Commissioner shall afford Respondent the
17 opportunity for a hearing pursuant to the Administrative
18 Procedure Act to present such evidence.

19 6. Respondent shall, within six (6) months from the
20 effective date of this Decision, take and pass the Professional
21 Responsibility Examination administered by the Department
22 including the payment of the appropriate examination fee. If
23 Respondent fails to satisfy this condition, the Commissioner
24 may order suspension of Respondent's restricted real estate
25 salesperson license until Respondent passes the examination.

26 7. Pursuant to Section 10148 of the Business and
27 Professions Code, Respondent shall pay the Commissioner's

1 reasonable cost for: a) the audit which led to this disciplinary
2 action and, b) a subsequent audit to determine if Respondent has
3 corrected the trust fund violations found in Paragraph I of the
4 Determination of Issues. In calculating the amount of the
5 Commissioner's reasonable cost, the Commissioner may use the
6 estimated average hourly salary for all persons performing
7 audits of real estate brokers, and shall include an allocation
8 for travel time to and from the auditor's place of work.
9 Respondent shall pay such cost within sixty (60) days of
10 receiving an invoice from the Commissioner detailing the
11 activities performed during the audit and the amount of time
12 spent performing those activities. The Commissioner may suspend
13 the restricted license issued to Respondent pending a hearing
14 held in accordance with Section 11500, et seq., of the
15 Government Code, if payment is not timely made as provided for
16 herein, or as provided for in a subsequent agreement between the
17 Respondent and the Commissioner. The suspension shall remain in
18 effect until payment is made in full or until Respondent enters
19 into an agreement satisfactory to the Commissioner to provide
20 for payment, or until a decision providing otherwise is adopted
21 following a hearing held pursuant to this condition.

22 8. Respondent shall prior to the issuance of a restricted
23 real estate salesperson license provide evidence satisfactory to
24 the Commissioner that Respondent has cured the trust fund
25 shortages set forth in the Accusation.

26 9. Any restricted real estate salesperson license issued
27 to Respondent may be suspended or revoked for a violation by

1 Respondent of any of the conditions attaching to the restricted
2 license.

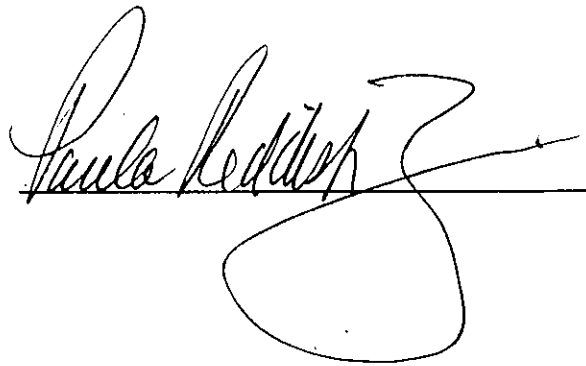
3 This Decision shall become effective at 12 o'clock
4 noon on AUGUST 27, 2003.

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6 IT IS SO ORDERED

June 23, 2003

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8 PAULA REDDISH ZINNEMANN
Real Estate Commissioner

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FILED
MAR 05 2003

DEPARTMENT OF REAL ESTATE

By Shelly Ely

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

ENRICO REGUZZONI,)

No. H-8144 SF

Respondent.)

N-2002100255

NOTICE

TO: ENRICO REGUZZONI, Respondent.

YOU ARE HEREBY NOTIFIED that the Proposed Decision herein dated February 14, 2003, of the Administrative Law Judge is not adopted as the Decision of the Real Estate Commissioner. A copy of the Proposed Decision dated February 14, 2003, is attached for your information.

In accordance with Section 11517(c) of the Government Code of the State of California, the disposition of this case will be determined by me after consideration of the record herein including the transcript of the proceedings held on January 13, 2003, and any written argument hereafter submitted on behalf of Respondent and Complainant.

1 Written argument of Respondent to be considered by me
2 must be submitted within 15 days after receipt of the transcript
3 of the proceedings of January 13, 2003, at the Sacramento office
4 of the Department of Real Estate unless an extension of the time
5 is granted for good cause shown.

6 Written argument of Complainant to be considered by me
7 must be submitted within 15 days after receipt of the argument of
8 Respondent at the Sacramento office of the Department of Real
9 Estate unless an extension of the time is granted for good cause
10 shown.

11 DATED: February 27, 2003

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13 PAULA REDDISH ZINNEMANN
14 Real Estate Commissioner

15 *Paula Reddish*
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BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of:

ENRICO REGUZZONI,

Respondent.

Case No. H-8144 SF

OAH Case No. N 2002100255

PROPOSED DECISION

This matter was heard before Ruth S. Astle, Administrative Law Judge of the Office of Administrative Hearings, State of California, on January 13, 2003 in Oakland, California.

Michael B. Rich, Counsel, represented the Department of Real Estate.

Respondent Enrico Reguzzoni was present and represented himself.

The matter was submitted on January 13, 2003.

FACTUAL FINDINGS

1. Les R. Bettencourt made this accusation in his official capacity as a Deputy Real Estate Commissioner of the State of California, and not otherwise.
2. Enrico Reguzzoni (respondent) is presently licensed as a real estate broker.
3. Within the last three years, respondent engaged in activities on behalf of others for which a real estate license is required, for and in expectation of compensation, by leasing and/or renting, offering to lease and/or rent, soliciting prospective tenants for, collecting rents on and/or managing certain real properties in California.
4. Beginning in November of 2001, the Department of Real Estate (Department) conducted an audit of the business activities of respondent for the time period of January 1, 2001 through October 31, 2001. During the course of the activities as set forth in Finding 3, above, respondent received and disbursed funds in trust on behalf of others.
5. Within the last three years, respondent deposited the trust funds into a bank account at Bay Bank of Commerce in San Ramon, California, bearing account number 1131087, in the name of "Pacific Property Management Trust Account" (Account #1).

6. In connection with the collection and disbursement of trust funds, respondent failed to deposit and maintain the trust funds in a trust account or neutral escrow depository, or to deliver them into the hands of the owners of the funds, as required by law, in such a manner that as of June 29, 2001, there was a trust fund shortage in Account #1 in the sum of \$13,069.47.

7. Respondent failed to obtain the prior written consents of the principals for the reduction of the aggregate balance of trust funds in the Account #1 to an amount less than the existing aggregate trust fund liability to the owners of the funds in conformance with regulations. Respondent claimed to have the written permission of some of his clients, but did not present any documentation of that claim. He admitted that he did not have the prior written consent of all of his clients.

8. In connection with the receipt and disbursement of trust funds as set forth above and as set forth in Audit No. OK010075(PM), dated March 15, 2002, respondent failed to reconcile the balance of separate beneficiary or transaction records with the control records of trust funds received and disbursed at least once a month, and failed to maintain a record of those reconciliations as required by regulations.

9. Respondent was audited previously in 1997. A trust fund shortage was identified at that time. A correction action letter was sent to respondent October 31, 1997 indicating that he must make up the shortage and complete monthly reconciliations as required by regulations.

10. Respondent postponed the 2001 audit twice because his CPA had his records. Respondent produced a memorandum from his CPA dated November 1, 2001 showing that a bank reconciliation had been completed. This is not sufficient to show that respondent has corrected his business practices.

11. It is particularly disturbing that respondent does not seem to understand the serious nature of his business practices. Respondent seems to believe that just because he has a positive bank balance there is nothing to be concerned about. It is his liability to his clients that he does not have sufficient funds to cover. Respondent presented no evidence that he has made deposits to the trust account to cover all of his liabilities. He did present some individual accounts, some of which showed a negative balance. He claims that he does not do this any more. However, until respondent demonstrates that he understands his responsibility to keep his accounts in compliance with the laws, rules and regulations of the Department, it would not be in the public interest to allow respondent to continue working as a broker. Respondent may continue to work in real estate provided he has a supervising broker.

LEGAL CONCLUSIONS

1. By reason of the matters set forth in Findings 3 through 6, cause for disciplinary action exists pursuant to Business and Professions Code sections 10145 and 10177(d).
2. By reason of the matters set forth in Finding 7, cause for disciplinary action exists pursuant to California Code of Regulations section 2832.1.
3. By reason of the matters set forth in Finding 8, cause for disciplinary action exists pursuant to California Code of Regulations section 2831.2.
4. The matters set forth in Findings 9, 10 and 11 been considered in making the following order.

ORDER

The Broker's license of respondent Enrico Reguzzoni is hereby revoked; provided, however, a restricted real estate salesperson license shall be issued to him pursuant to section 10156.5 of the Business and Professions Code if respondent makes application therefore and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days of the effective date of this Decision. The restricted license issued shall be subject to all the provisions of the law and as follows:

- Not adopted*
1. The license shall not confer any property right in the privileges to be exercised, and the Real Estate Commissioner may by appropriate order suspend the right to exercise any privileges granted under this restricted license in the event of:
 - a. Respondent's conviction, including by a plea of nolo contendere, of a crime which is substantially related to respondent's fitness or capacity as a real estate licensee.
 - b. Receipt of evidence that respondent has violated provision of the California Real Estate Law, the Subdivided Lands Law, Regulation of the Real estate Commissioner or conditions attaching to the restricted license.
 2. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor the removal of any of the conditions, limitations or restrictions attaching to the restricted license until two years have elapsed from the date of issuance of the restricted license to respondent.
 3. With the application for license, or with the application for transfer to a new employing broker, respondent shall submit a statement signed by the prospective employing real estate broker on a form RE 552 (Rev.4/88) approved by the Department of Real Estate, which shall certify as follows:

a. That the employing broker has read the decision which is the basis for the issuance of the restricted license; and

b. That the employing broker will carefully review all transaction documents prepared by the restricted licensee and otherwise exercise close supervision over the licensee's performance of acts for which a real estate license is required.

4. Respondent shall, within six months from the effective date of this Decision, take and pass the Professional responsibility examination administered by the Department including payment of the appropriate examination fee. If respondent fails to satisfy this condition, the commissioner may order suspension of respondent's license until respondent passes the examination.

DATED: 2/14/03



RUTH S. ASTLE
Administrative Law Judge
Office of Administrative Hearing

**BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA**

FILED
NOV 21 2002

DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

ENRICO REGUZZONI

Case No. H-8144 SF

OAH No. N2002100255

Respondent

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at **THE OFFICE OF ADMINISTRATIVE HEARINGS, THE ELIHU HARRIS STATE BUILDING, 1515 CLAY STREET, SUITE 206, OAKLAND, CALIFORNIA 94612** on **MONDAY--JANUARY 13, 2003**, at the hour of **9:00 A.M.**, or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

DEPARTMENT OF REAL ESTATE

Dated: NOVEMBER 21, 2002

By

Michael B. Rich
MICHAEL B. RICH, Counsel

1 MICHAEL B. RICH, Counsel
2 State Bar No. 84257
3 Department of Real Estate
P. O. Box 187000
4 Sacramento, CA 95818-7000
Telephone: (916) 227-0789

FILED
JUL 24 2002

DEPARTMENT OF REAL ESTATE

By Shelly Flynn

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
ENRICO REGUZZONI,)
Respondents.)

NO. H- 8144 SF

ACCUSATION

The Complainant, LES R. BETTENCOURT, a Deputy Real Estate Commissioner of the State of California, for Cause of Accusation against ENRICO REGUZZONI doing business under the fictitious name of PACIFIC PROPERTY MANAGEMENT (hereinafter referred to as "Respondent"), is informed and alleges as follows:

I

At all times herein mentioned, Respondent 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 (hereafter the "Code").

II

At all time herein mentioned, Respondent was licensed as a Real Estate Broker.

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III

The Complainant, LES R. BETTENCOURT, a Deputy Real Estate Commissioner of the State of California, makes this Accusation against Respondent in his official capacity and not otherwise.

IV

Within the last three years, Respondent engaged in activities on behalf of others for which a real estate license is required, for or in expectation of compensation, by leasing or renting, offering to lease or rent, soliciting prospective tenants for, collecting rents on, and/or managing certain real properties in California.

V

Beginning in November of 2001, the Department conducted an audit of the above business activities of Respondent for the time period of January 1, 2001 through October 31, 2001. During the course of the activities described above, Respondent received and disbursed funds in trust on behalf of others.

VI

Within the last three years, Respondent deposited the above trust funds into a bank account at Bay Bank of Commerce in San Ramon, California, bearing account number 1131087, in the name of "Pacific Property Management Trust Account" (hereinafter referred to as Account #1").

VII

In connection with the collection and disbursement of trust funds, Respondent failed to deposit and maintain the trust

1 funds in a trust account or neutral escrow depository, or to
2 deliver them into the hands of the owners of the funds, as
3 required by Section 10145 of the Code, in such a manner that as
4 of June 29, 2001, there was a trust fund shortage in Account #1
5 in the approximate sum of \$13,069.47.

6
7 VIII

8 Respondent failed to obtain the prior written consents
9 of the principals for the reduction of the aggregate balance of
10 trust funds in the Account #1 to an amount less than the existing
11 aggregate trust fund liability to the owners of said funds
12 in conformance with Section 2832.1 of the Regulations.

13 IX

14 In connection with the receipt and disbursement of
15 trust funds as above alleged, and as set forth in Audit No. OK
16 010075(PM), dated March 15, 2002, and accompanying working papers
17 and exhibits, Respondent failed to reconcile the balance of
18 separate beneficiary or transaction records with the
19 control records of trust funds received and disbursed at least
20 once a month, and/or failed to maintain a record of such
21 reconciliations as required by Section 2831.2 of the Regulations.

22 X

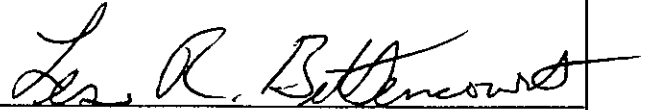
23 The acts and/or omissions of Respondents as alleged
24 above constitute grounds for disciplinary action under the
25 following provisions:

- 26 (a) As to Paragraph VII, under Section 10145 of the
27 Code in conjunction with Section 10177(d) of the
Code;

1 (b) As to Paragraph VIII, under Section 2832.1 of the
2 Regulations in conjunction with Section 10177(d)
3 of the Code; and,

4 (c) As to Paragraph IX, under Section 2831.2 of the
5 Regulations in conjunction with Section 10177(d)
6 of the Code.

7 WHEREFORE, Complainant prays that a hearing be
8 conducted on the allegations of this Accusation and that upon
9 proof thereof a decision be rendered imposing disciplinary action
10 against all license(s) and license rights of Respondents under
11 the Real Estate Law (Part 1 of Division 4 of the Business and
12 Professions Code), and for such other and further relief as may
13 be proper under other provisions of law.

14 
15 LES R. BETTENCOURT
16 Deputy Real Estate Commissioner

17 Dated at Oakland, California,
18 this 27th day of May, 2002
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