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AUG - 8 2012

DEPARTMENT OF REAL ESTATE
By R. Mar

9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of

13 SARATOGA MANAGEMENT COMPANY,
14 INC. and NORMAN ALAN NASON,

15 Respondents.

No. H-11439 SF

ACCUSATION

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17 The Complainant, ROBIN S. TANNER, in her official capacity as a Deputy Real
18 Estate Commissioner of the State of California, for cause of Accusation against SARATOGA
19 MANAGEMENT COMPANY, INC. and NORMAN ALAN NASON, (collectively referred to
20 herein as "Respondents"), is informed and alleges as follows:

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22 Respondent SARATOGA MANAGEMENT COMPANY, INC., (hereinafter
23 "SMCI"), is presently licensed by the Department of Real Estate (hereinafter "the Department")
24 and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Business and
25 Professions Code (hereinafter "the Code"), as a corporate real estate broker, acting by and through
26 NORMAN ALAN NASON as its designated officer.

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At no time mentioned herein were any fictitious business names licensed under SMCI's real estate corporate broker license.

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Respondent NORMAN ALAN NASON (hereinafter "NASON") is presently licensed by the Department and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code, as a real estate broker.

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At all times mentioned herein, NASON was licensed by the Department as the designated officer of SMCI. As the designated officer, NASON was 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 SMCI for which a real estate license is required.

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

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At all times mentioned herein, SMCI engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker in the State of California, within the meaning of Section 10131(b) of the Code, including the leasing or renting or offer to lease or rent, or placing for rent, or solicitation of listings of places for rent, or solicitation of prospective tenants, or negotiation of the sale, purchase or exchanges of leases on real property, or on a business opportunity, or collection of rents from real property, or improvements thereon, or from business opportunities.

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1 FIRST CAUSE OF ACTION

2 (As Against Respondent SMCI)

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

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7 Beginning on January 10, 2012 and continuing intermittently until February 27,
8 2012, an audit was conducted of SMCI's real estate activities at its main office located at 901
9 Campisi Way, Campbell, California and at the Department's Oakland District Office, wherein
10 the auditor examined SMCI's records for the period of January 1, 2011 through December 31,
11 2011 (hereinafter "the audit period").

12 9

13 While acting as a real estate broker as described in Paragraph 6, above, and within
14 the audit period, SMCI accepted or received funds in trust (hereinafter "trust funds") from or on
15 behalf of owners, tenants and others in connection with the rental or lease of residential property,
16 for or in expectation of compensation, as alleged herein, and thereafter from time-to-time made
17 disbursements of said trust funds.

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19 The trust funds accepted or received by SMCI as described in Paragraph 9, above,
20 were deposited or caused to be deposited by SMCI into the following bank accounts which were
21 maintained by SMCI for the handling of trust funds, and thereafter from time-to-time SMCI
22 made disbursements of said trust funds:

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TRUST ACCOUNT # 1	
Bank Name and Location:	Comerica Bank, 333 W. Santa Clara St., San Jose, CA 95113
Account No. (Last 4 Digits):	0963
Entitled:	"Saratoga Management Company, Inc Trust Account"
Signatories:	Norman Nason (REB/DO) Darlene Wood (RES) Nancy Nason (Unlicensed)
Purpose:	Used for the collection and disbursement of trust funds related to the management activities of various properties managed by SMCI.

TRUST ACCOUNT # 2	
Bank Name and Location:	California Bank & Trust, 1690 So. El Camino Real, San Mateo, CA 94402
Account No. (Last 4 Digits):	1770
Entitled:	"Saratoga Management Co Inc Trust Account"
Signatories:	Norman Nason (REB/DO) Darlene Wood (RES) Nancy Nason (Unlicensed) Roger Emerick (Unlicensed)
Purpose	Used for the collection and disbursement of trust funds related to the management activities of SMCI for the commercial properties owned by Roger and Rebecca Emerick.

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BANK ACCOUNT # 1	
Bank Name and Location:	Santa Cruz County Bank, 720 Front Street, Santa Cruz, CA 95060
Account No. (Last 4 Digits):	8446
Entitled:	"Blanchard Family Limited Partnership Harry F. Blanchard (BFLP / Saratoga Management)"
Signatories:	Norman Nason (REB/DO) Darlene Wood (RES) Nancy Nason (Unlicensed) Harry Blanchard (Unlicensed) Mary Blanchard (Unlicensed)
Purpose	Used for the collection and disbursement of trust funds related to the management activities of SMCI for the commercial properties owned by Harry and Mary Blanchard.

BANK ACCOUNT # 2	
Bank Name and Location:	Evangelical Christian Credit Union, 955 West Imperial Hwy, Brea, CA 92821
Account No. (Last 4 Digits):	2706
Entitled:	"Saratoga Management Company Inc Saratoga Management Trust / Harvest Evangelism"
Signatories:	Norman Nason (REB/DO) Darlene Wood (RES) Nancy Nason (Unlicensed)
Purpose	Used for the collection and disbursement of trust funds related to the management activities of SMCI for the commercial properties owned by Harvest Evangelism Inc.

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In the course of the activities described in Paragraph 6, above, and within the audit period, SMCI:

(a) failed to properly designate Bank Account #1 and Bank Account #2 as a trust account in the name of SMCI, as trustee, in violation of Section 10145 of the Code and Section 2832 of Title 10 of the California Code of Regulations (hereafter "the Regulations");

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1 (b) allowed Nancy Nason, an unlicensed individual, to appear as a signatory
2 on Trust Account #1, Trust Account #2, Bank Account #1 and Bank Account #2, without first
3 obtaining fidelity bond coverage at least equal to the maximum amount of the trust funds to
4 which Nancy Nason had access at any time, in violation of Section 10145 of the Code, and
5 Section 2834 of the Regulations;

6 (c) allowed Roger Emerick, an unlicensed individual, to appear as a signatory
7 on Trust Account #2, without first obtaining fidelity bond coverage at least equal to the
8 maximum amount of the trust funds to which Roger Emerick had access at any time, in violation
9 of Section 10145 of the Code, and Section 2834 of the Regulations;

10 (d) allowed Harry Blanchard and Mary Blanchard, unlicensed individuals, to
11 appear as signatories on Bank Account #1, without first obtaining fidelity bond coverage at least
12 equal to the maximum amount of the trust funds to which Harry Blanchard and Mary Blanchard
13 had access at any time, in violation of Section 10145 of the Code, and Section 2834 of the
14 Regulations;

15 (e) failed to deposit the security deposit check collected on June 15, 2011
16 from the tenant of 1087 S. De Anza Blvd., into Trust Account #1 within three business days after
17 receipt, in violation of Section 10145 of the Code and Section 2832 of the Regulations;

18 (f) failed to deposit the security deposit check collected on November 10,
19 2011 from the tenant of 6472 Camden Ave. #202, into Bank Account #2 within three business
20 days after receipt, in violation of Section 10145 of the Code and Section 2832 of the
21 Regulations;

22 (g) failed to possess and/or maintain Broker-Salesperson relationship
23 agreements with four of its employees, Sheyna Ludgood, Dick Norman, Christopher Pane, and
24 Darlene Wood, in violation of Section 2726 of the Regulations; and,

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1 (h) operated a real estate brokerage business at 901 Campisi Way #300,
2 Campbell, CA, an office location which requires a real estate license, without first procuring a
3 real estate license for that office location in violation of Section 10163 of the Code and Section
4 2715 of the Regulations.

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6 The acts and/or omissions of Respondent SMCI as alleged in Paragraph 11,
7 above, constitute grounds for the suspension or revocation of all licenses and license rights of
8 Respondent pursuant to the following provisions of the Code and Regulations:

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

11 As to Paragraph 11(b), under Section 10177(d) and/or 10177(g) of the Code in
12 conjunction with Section 10145 of the Code and Section 2834 of the Regulations;

13 As to Paragraph 11(c), 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 11(d), 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 11(e), under Section 10177(d) and/or 10177(g) of the Code in
18 conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

19 As to Paragraph 11(f), under Section 10177(d) and/or 10177(g) of the Code in
20 conjunction with Sections 10145 of the Code and Section 2832 of the Regulations;

21 As to Paragraph 11(g), under Section 10177(d) and/or 10177(g) of the Code in
22 conjunction with Section 2726 of the Regulations; and

23 As to Paragraph 11 (h), under Section 10177(d) and/or 10177(g) of the Code in
24 conjunction with Section 10163 of the Code and Section 2715 of the Regulations.

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The acts and/or omissions of Respondent SMCI as alleged in Paragraph 11, above, entitle the Department to reimbursement of the costs of its audit pursuant to Section 10148 of the Code, in conjunction with Section 10145 of the Code.

SECOND CAUSE OF ACTION

(As Against Respondent NASON)

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Each and every allegation in Paragraphs 1 through 13, inclusive, above, is incorporated by this reference as if fully set forth herein.

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At all times mentioned herein, NASON, as the designated officer broker of SMCI, was required to exercise reasonable supervision and control over the activities of SMCI and its employees pursuant to Section 10159.2 of the Code and Section 2725 of the Regulations.

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NASON failed to exercise reasonable supervision over the acts and/or omissions of SMCI and its employees in such a manner as to allow the acts and/or omissions as described in Paragraph 11, above, to occur, which constitutes cause for the suspension or revocation of the licenses and license rights of NASON under Sections 10177(d) and/or 10177(g) of the Code, and Sections 10177(h) and 10159.2 of the Code, in conjunction with Section 2725 of the Regulations.

COST RECOVERY

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 all Respondents named herein, under the Real
4 Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the cost of
5 investigation and enforcement as permitted by law, and for such other and further relief as may
6 be proper under the provisions of law.

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9 ROBIN S. TANNER
10 Deputy Real Estate Commissioner

11 Dated at Oakland, California,
12 this 7th day of August, 2012.
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