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FILED

DEC 18 2013

BUREAU OF REAL ESTATE

By 

8
9 BEFORE THE BUREAU OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

11 In the Matter of the Accusation of) NO. H-11621 SF
12)
12 GREATER PACIFIC SHORES GROUP, INC.,) ACCUSATION
13)
13 Respondent.)
14)

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16 The Complainant, ROBIN S. TANNER, in her official capacity as a Supervising
17 Special Investigator of the State of California, for cause of Accusation against GREATER PACIFIC
18 SHORES GROUP INC., is informed and alleges as follows:

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20 Respondent GREATER PACIFIC SHORES GROUP INC. (hereinafter
21 "Respondent") is presently licensed by the California Bureau¹ of Real Estate (hereinafter "the
22 Bureau") and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California
23 Business and Professions Code (hereafter "the Code"), as a real estate broker corporation, and at
24 all relevant times herein until April 15, 2013 was acting by and through David Kumar Lal as its
25 designated officer broker. Since April 15, 2013, Respondent has had no designated officer broker.

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27 ¹ Effective July 1, 2013, the Department of Real Estate has become the Bureau of Real Estate pursuant to the Governor's Reorganization Plan of 2012.

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At all times relevant herein, Respondent conducted business under its own name, and the fictitious business name "Real Property Management Millennium" registered with the Bureau.

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David Kumar Lal (hereinafter "Lal") was licensed by the Bureau and/or had license rights under the Real Estate Law, Part 1 of Division 4 of the Code, as a real estate broker. Effective April 15, 2013, Lal's real estate broker license and license rights were revoked outright pursuant to Bureau case number H-11350 SF.

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

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At all times relevant herein, Respondent 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 Section 10131(b) of the Code (Broker Defined – Property Management/Collection of Rent), 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, Respondent leased or rented or 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.

FIRST CAUSE OF ACTION

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

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On or about September 4, 2012, and continuing intermittently through January 8, 2013, an audit was conducted of Respondent's business activities at Respondent's main office location at 3624 Airway Drive, Santa Rosa, California, wherein the auditor examined Respondent's records for the period of February 24, 2011 through August 31, 2012 (hereinafter "the audit period").

While acting as a real estate broker as described in paragraph 5, above, and within the audit period, Respondent accepted or received funds in trust (hereinafter "trust funds") and deposited or caused the trust funds to be deposited into bank accounts maintained by Respondent; and thereafter, from time-to-time, Respondent made disbursements of said trust funds, identified as follows:

Trust Account #1

Bank Name: Wells Fargo Bank, N.A.
Account No.: Last 4 Digits: xxxxxx2203
Account Name: "RPM Trust Account #1"
Signatories: Christine M. Hall (RES), David Lal (D.O./REB), and Michael K. Munsee (unlicensed)
Purpose: Used for deposits and disbursements related to the management of approximately sixty (60) residential properties for approximately fifty-five (55) owners.

Bank Account #1

Bank Name: Wells Fargo Bank, N.A.
Account No.: Last 4 Digits: xxxxxx2749
Account Name: "Greater Pacific Shores Group, Inc DBA Real Property Management Millennium"
Signatories: Christine M. Hall (RES), David Lal (D.O./REB), and Michael K. Munsee (unlicensed)
Purpose: Used to hold security deposits for approximately fifty (50) residential properties.

In the course of the real estate broker activities described in paragraph 5, above, and during the audit period, Respondent:

1 (a) caused, suffered, or permitted the balance of funds in Trust Account #1 to be
2 reduced to an amount which, as of August 9, 2012, was approximately \$18,867.27 less than the
3 aggregate liability of Trust Account #1 to all owners of such funds, without the prior written
4 consent of each and every owner of such funds, in violation of Section 10145 (handling of trust
5 funds) of the Code and Section 2832.1 (written authorization of all beneficiaries required to reduce
6 funds to below liability) of Title 10 of the California Code of Regulations ("the Regulations"). The
7 cause of said trust fund shortage was attributed to a negative balance in the broker funds account
8 totaling \$8,824.44, negative balances in four (4) property owner accounts totaling \$5,267.39, the
9 disbursement of "Eviction Protection Plan" advance fees totaling \$4,553.00, and unidentified causes
10 totaling \$222.44;

11 (b) caused, suffered, or permitted the balance of funds in Bank Account #1 to be
12 reduced to an amount which, as of August 9, 2012, was approximately \$1,456.00 less than the
13 aggregate liability of Bank Account #1 to all owners of such funds, without the prior written
14 consent of each and every owner of such funds, in violation of Section 10145 (handling of trust
15 funds) of the Code and Section 2832.1 (written authorization of all beneficiaries required to reduce
16 funds to below liability) of the Regulations. The cause of said trust fund shortage was attributed to
17 unidentified causes totaling \$1,440.00, and unreimbursed bank fees totaling \$16.00;

18 (c) collected advance fees from principals for providing services referred to as an
19 "Eviction Protection Plan" (hereinafter "EPP"), and failed to submit an advance fee agreement and
20 all materials used in obtaining the advance fee agreement to the Bureau prior to use, as required by
21 Sections 10085 and 10085.5 of the Code and Section 2970 of the Regulations, for the following:

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Owner Name	Property	EPP Fee Per Month	Date of EPP Agreement
Troy D.	1305 Parkway Dr.	\$20.00	09/01/11
Richmond Wholesale Meat Co. Profit Sharing Trust	4466 Cedar Ave.	\$20.00	01/03/11
Richmond Wholesale Meat Co. Profit Sharing Trust	15597 34 th Ave.	\$20.00	01/03/11
Richmond Wholesale Meat Co. Profit Sharing Trust	15625 34 th Ave.	\$20.00	01/03/11
Richmond Wholesale Meat Co. Profit Sharing Trust	15615 34 th Ave.	\$20.00	01/03/11
Richmond Wholesale Meat Co. Profit Sharing Trust	4476 Cedar Ave.	\$20.00	01/03/11
Richmond Wholesale Meat Co. Profit Sharing Trust	6663 Highland Cir.	\$20.00	01/03/11
Richmond Wholesale Meat Co. Profit Sharing Trust	20250 Indian Rock Rd.	\$20.00	10/17/11

(d) in connection with the advance fee agreements identified in paragraph 9(c) above, Respondent collected advance fees from principals for providing "Eviction Protection Plan" services in connection with its property management services, and did not maintain and provide a verified accounting to those principals showing the services rendered, identification of the bank account into which the funds were deposited and details of how those funds were disbursed, in violation of Sections 10146 and 10085.5 of the Code and 2972 of the Regulations;

(e) failed to remit trust funds totaling \$175.00 owed to property owner Palo Vineyard Partners ("Property Owner") pertaining to the property known as 3900 Franz Valley Road ("the Property") within one month as required by the property management agreement entered into between Respondent and Property Owner on or about January 9, 2012 and terminated by the Property Owner on or about May 24, 2012, in violation of Section 10145 (trust fund handling) of the Code;

(f) deposited trust funds into Bank Account #1, and failed to designate Bank Account #1 as a trust fund account in the name of Respondent, or either a fictitious business name registered with the Bureau by Respondent, as Trustee, in violation of Section 10145 (trust fund handling) of the Code and Section 2832 (requirements for deposit of trust funds) of the Regulations;

1 (g) allowed Michael K. Munsee, an individual who was not licensed by the
2 Bureau in any capacity during the audit period, and who was not covered by a fidelity bond equal to
3 the maximum amount of the trust funds to which he had access, to appear as a signatory on Trust
4 Account #1 and Bank Account #1, in violation of Section 2834 (trust account signatory
5 requirements) of the Regulations;

6 (h) failed to reconcile and/or failed to maintain records of having reconciled the
7 total of separate beneficiary/property records with a record of all trust funds received and disbursed
8 (control record) for Trust Account #1 and Bank Account #1 on at least a monthly basis, in violation
9 of Section 2831.2 (trust account reconciliation requirements) of the Regulations; and,

10 (i) disbursed trust funds from Trust Account #1 to Respondent in excess of those
11 earned totaling \$8,902.27 as of August 30, 2012, which constitutes fraud or dishonest dealing under
12 Section 10176(i) (fraud or dishonest dealing in connection with licensed activity) and/or 10177(j)
13 (fraud or dishonest dealing) of the Code.

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15 The acts and/or omissions of Respondent as alleged in paragraph 9, above, constitute
16 grounds for the suspension or revocation of all licenses and license rights of Respondent pursuant to
17 the following provisions of the Code and Regulations:

18 As to Paragraph 9(a), under Section 10177(d) (willful disregard or violation of Real
19 Estate Law) and/or 10177(g) (negligence or incompetence in performing licensed act) of the Code,
20 in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

21 As to Paragraph 9(b), under Section 10177(d) and/or 10177(g) of the Code, in
22 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

23 As to Paragraph 9(c), under Section 10177(d) and/or 10177(g) of the Code, in
24 conjunction with Sections 10085 and 10085.5 of the Code and Section 2970 of the Regulations;

25 As to Paragraph 9(d), under Section 10177(d) and/or 10177(g) of the Code, in
26 conjunction with Sections 10085.5 and 10146 of the Code, and Section 2972 of the Regulations;
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1 As to Paragraph 9(e), under Section 10177(d) and/or 10177(g) of the Code, in
2 conjunction with Section 10145 of the Code;

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

5 As to Paragraph 9(g), under Section 10177(d) and/or 10177(g) of the Code, in
6 conjunction with Section 2834 of the Regulations;

7 As to Paragraph 9(h), under Section 10177(d) and/or 10177(g) of the Code, in
8 conjunction with Section 2831.2 of the Regulations; and,

9 As to Paragraph 9(i), under Sections 10176(i), 10177(j) and 10177(g) of the Code.

10 COST RECOVERY

11 Audit Costs

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13 The acts and/or omissions of Respondent as alleged in the First Cause of Action,
14 above, entitle the Bureau to reimbursement of the costs of its audit pursuant to Section 10148(b)
15 (audit costs for trust fund handling violations) of the Code.

16 Investigation and Enforcement Costs

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18 Section 10106 of the Code provides, in pertinent part, that in any order issued in
19 resolution of a disciplinary proceeding before the Bureau, the Commissioner may request the
20 Administrative Law Judge to direct a licensee found to have committed a violation of this part to
21 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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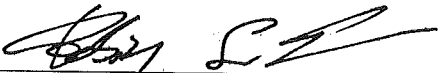
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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of
2 this Accusation and that upon proof thereof, a decision be rendered revoking all licenses and license
3 rights of all Respondent named herein under the Real Estate Law (Part 1 of Division 4 of the
4 Business and Professions Code), for the cost of investigation and enforcement as permitted by law,
5 for the cost of the audit as permitted by law, and for such other and further relief as may be proper
6 under other provisions of law.

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10 ROBIN S. TANNER
Supervising Special Investigator

11 Dated at Oakland, California,
12 this 16th day of December, 2013.