

**FILED**

JUN 03 2014

BUREAU OF REAL ESTATE

By Choi

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

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In the Matter of the Accusation of	)	
	)	No. H-11621 SF
GREATER PACIFIC SHORES GROUP, INC.,	)	
	)	
Respondent.	)	
_____	)	

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the California<sup>1</sup> Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on April 2, 2014, and the findings of fact set forth herein, which are based on one or more of the following: (1) Respondent's express admissions, (2) affidavits, and (3) other evidence.

This Decision revokes a real estate license and/or license rights pursuant to the Real Estate Law, Part I of Division 4, of the Business and Professions Code ("the Code") Sections 10177(d), 10177(g), 10176(i), and 10177(j), in conjunction with Sections 10145, 10146, 10085, and 10085.5 of the Code and Sections 2832.1, 2970, 2972, 2832, 2834, and 2831.2 of Title 10 of the California Code of Regulations ("the Regulations").

The right to reinstatement of a revoked real estate license is controlled by Section 11522 of the Government Code. A copy of Section 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of Respondent.

<sup>1</sup> All references herein are to California Codes and Regulations, unless otherwise stated.

## FINDINGS OF FACT

1

On December 16, 2013, Robin S. Tanner made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were served on Respondent by regular and certified mail, return receipt requested, to Respondent's last known mailing address on file with the Bureau of Real Estate of the State of California (hereinafter "the Bureau") on December 18, 2013.

2

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

3

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.

4

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.

5

Whenever reference is made in an allegation herein 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.

6

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.

7

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").

8

While acting as a real estate broker as described in Paragraph 6, 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.

9

In the course of the real estate broker activities described in Paragraph 6, above, and during the audit period, Respondent:

- (a) caused, suffered, or permitted the balance of funds in Trust Account #1 to be reduced to an amount which, as of August 9, 2012, was approximately \$18,867.27 less than the aggregate liability of Trust Account #1 to all owners of such funds, without the prior written consent of each and every owner of such funds, in violation of Section 10145 (handling of trust funds) of the Code and Section 2832.1 (written authorization of all beneficiaries required to reduce funds to below liability) of the Regulations. The cause of said trust fund shortage was attributed to a negative balance in the broker funds account totaling \$8,824.44, negative balances in four (4) property owner accounts totaling \$5,267.39, the disbursement of "Eviction Protection Plan" advance fees totaling \$4,553.00, and unidentified causes totaling \$222.44;
- (b) caused, suffered, or permitted the balance of funds in Bank Account #1 to be reduced to an amount which, as of August 9, 2012, was approximately \$1,456.00 less than the aggregate liability of Bank Account #1 to all owners of such funds, without the prior written consent of each and every owner of such funds, in violation of Section 10145 (handling of trust funds) of the Code and Section 2832.1 (written authorization of all beneficiaries required to reduce funds to below liability) of the Regulations. The cause of said trust fund shortage was attributed to unidentified causes totaling \$1,440.00, and unreimbursed bank fees totaling \$16.00;
- (c) collected advance fees from principals for providing services referred to as an "Eviction Protection Plan" (hereinafter "EPP"), and failed to submit an advance fee agreement and all materials used in obtaining the advance fee agreement to the Bureau prior to use, as required by Sections 10085 and 10085.5 of the Code and Section 2970 of the Regulations, for the following:

<b>Owner Name</b>	<b>Property</b>	<b>EPP Fee Per Month</b>	<b>Date of EPP Agreement</b>
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 <sup>th</sup> Ave.	\$20.00	01/03/11
Richmond Wholesale Meat Co. Profit Sharing Trust	15625 34 <sup>th</sup> Ave.	\$20.00	01/03/11
Richmond Wholesale Meat Co. Profit Sharing Trust	15615 34 <sup>th</sup> 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;
- (g) allowed Michael K. Munsee, an individual who was not licensed by the Bureau in any capacity during the audit period, and who was not covered by a fidelity bond equal to the maximum amount of the trust funds to which he had access, to appear as a signatory on Trust Account #1 and Bank Account #1, in violation of Section 2834 (trust account signatory requirements) of the Regulations;
- (h) failed to reconcile and/or failed to maintain records of having reconciled the total of separate beneficiary/property records with a record of all trust funds received and disbursed (control record) for Trust Account #1 and Bank Account #1 on at least a monthly basis, in violation of Section 2831.2 (trust account reconciliation requirements) of the Regulations; and,
- (i) disbursed trust funds from Trust Account #1 to Respondent in excess of those earned totaling \$8,902.27 as of August 30, 2012, which constitutes fraud or dishonest dealing under Section 10176(i) (fraud or dishonest dealing in connection with licensed activity) and/or 10177(j) (fraud or dishonest dealing) of the Code.

## DETERMINATION OF ISSUES

1

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

As to Paragraph 9(a), under Section 10177(d) of the Code, in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

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

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

As to Paragraph 9(d), under Section 10177(d) of the Code, in conjunction with Sections 10085.5 and 10146 of the Code and Section 2972 of the Regulations;

As to Paragraph 9(e), under Section 10177(d) of the Code, in conjunction with Section 10145 of the Code;

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

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

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

As to Paragraph 9(i), under Sections 10176(i) of the Code.

2

The standard of proof applied was clear and convincing proof to a reasonable certainty.

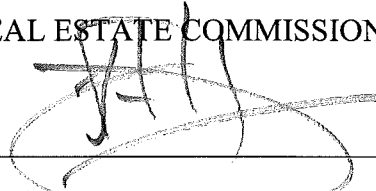
ORDER

All licenses and licensing rights of Respondent GREATER PACIFIC SHORES GROUP, INC. under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on JUN 24 2014.

DATED: MAY 07 2014

REAL ESTATE COMMISSIONER

A handwritten signature in black ink, appearing to read 'JM', is written over a horizontal line. The signature is stylized and somewhat cursive.

**JEFFREY MASON**  
**Chief Deputy Commissioner**