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BUREAU OF REAL ESTATE

By B. Contreras

7
8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of)
12 ROYAL HOMES,)
13 DAVID GEORGE DANIEL, and)
14 ALI HASNAIN ALI,)
15 Respondents.)

NO. H-11644 SF

ACCUSATION

16 The Complainant, TRICIA SOMMERS, in her official capacity as a Deputy Real
17 Estate Commissioner of the State of California, for cause of Accusation against ROYAL
18 HOMES ("ROYAL"), DAVID GEORGE DANIEL ("DANIEL"), and ALI HASNAIN ALI
19 ("ALI"), (collectively "Respondents"), is informed and alleges as follows:

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21 At all times relevant, ROYAL was licensed and/or had license rights by the
22 Bureau of Real Estate ("the Bureau") as a corporate real estate broker under the Real Estate Law,
23 Part 1 of Division 4 of the Business and Professions Code ("the Code").

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25 At all times relevant, DANIEL was licensed and/or had license rights by the
26 Bureau as a real estate broker, and was licensed by the Bureau as the designated broker/officer
27 of ROYAL for the period of February 2, 2011, through April 12, 2012. As the designated

1 broker/officer, DANIEL was responsible, pursuant to Section 10159.2 (responsibility of
2 corporate broker in charge) of the Code for the supervision of the activities of the officers,
3 agents, real estate licensees and employees of ROYAL for which a real estate license is required.

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5 At all times relevant ALI was licensed and/or had license rights by the Bureau
6 as a real estate broker and was licensed by the Bureau as the designated broker/officer of
7 ROYAL for the period of April 12, 2012, to the present. As the designated broker/officer, ALI
8 was responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of
9 the officers, agents, real estate licensees and employees of ROYAL for which a real estate
10 license is required. ALI has an approved Mortgage Loan Originator License Endorsement No.
11 323217.

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13 During the period of November 11, 2010, through February 1, 2012, there was no
14 designated officer/broker affiliated with ROYAL. Prior to November 11, 2010, ABDUL LATIF
15 ("LATIF"), licensed as a real estate broker, was the designated officer/broker for ROYAL.
16 LATIFF passed away on November 11, 2010.

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18 Whenever reference is made in an allegation in this Accusation to an act and/or
19 omission of ROYAL, such allegation shall be deemed to mean that ROYAL, its employees,
20 agents and/or real estate licensees employed by or associated with ROYAL and while acting
21 within the course and scope of their authority and employment with ROYAL committed such
22 acts and/ or omissions in the furtherance of the business or operations of ROYAL.

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24 At all times herein mentioned, Respondents were engaged in the business of,
25 acted in the capacity of, advertised or assumed to act as real estate brokers in the State of
26 California within the meaning of Section 10131(a) of the Code, including selling or offering to
27 sell, buying or offer to buy, soliciting prospective sellers or purchasers of, soliciting or

1 obtaining lists of, or negotiating the purchase, sale or exchange of real property. As part of its
2 real estate related activities, Respondents did not maintain any trust fund bank accounts.

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4 On or about August 12, 2012, and continuing intermittently through August 16,
5 2012, an audit was conducted of Respondents at their main office located at 611 Veterans
6 Boulevard, Suite 201, Redwood City, California, and at the Bureau's District Office located at
7 1515 Clay Street, Suite 702, Oakland, California, where the auditor examined the records for the
8 period of August 1, 2009, through July 31, 2012 (the audit period).

9 FIRST CAUSE OF ACTION

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11 During the period from November 11, 2010, through February 1, 2012, there was
12 no designated officer/broker affiliated with ROYAL. However, ROYAL and its employees
13 continued to perform activities requiring a real estate license while ROYAL's corporate real
14 estate broker license was in a non-working status. Specifically, ROYAL represented both the
15 buyer and the seller during the sale of the real properties located at 3447 Duchess Court,
16 San Jose, California; 2228 Aquatic Court, San Leandro, California; and, 1927 Everwood Court,
17 San Jose, California. Although each of those properties were listed with ROYAL prior to
18 LATIF's death, ROYAL continued working each transaction after LATIF's death and prior to
19 February 2, 2011, when DANIEL became the designated officer/broker for ROYAL.

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21 The acts and/or omissions of ROYAL as set forth in Paragraph 8, above, violate
22 Section 2740 (broker officer requirement) of Title 10, California Code of the Regulations ("the
23 Regulations"), and are grounds for the discipline of Royal's license and license rights under
24 Sections 10177(d) and/or 10177(g) of the Code.

25 SECOND CAUSE OF ACTION

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27 ALI obtained his real estate broker license on March 16, 2012.

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On or about October 12, 2011, ALI signed a notarized "Short Sale Affidavit" on behalf of Yusuf D. and Jeneba D. for the sale of their real property located at 3447 Duchess Court, San Jose, California. In the "Short Sale Affidavit", ALI was identified as the real estate broker for both the buyer and seller of the Duchess Court property. ALI earned a real estate commission of \$13,250.00 on the transaction. At that time, ALI was not licensed as a real estate broker and was not working under a licensed real estate broker.

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The acts and/or omissions of ALI as set forth in Paragraphs 10 and 11, above, violate Section 10130 (broker license requirement) and 10137 (unlawful compensation) of the Code, and are grounds for the discipline of ALI's license and license rights under Sections 10177(d) and/or 10177(g) of the Code.

THIRD CAUSE OF ACTION

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While acting as a real estate broker as described in Paragraph 6, above, and within the audit period, Respondents failed to maintain a trust log of trust funds they accepted or received in the form of checks received from prospective buyers.

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The acts and/or omissions of Respondents as set forth in Paragraph 13, above, violate Section 2831(a)(6) (trust fund records maintenance) of the Regulations, and are grounds for the discipline of Respondents licenses and license rights under Sections 10177(d) and/or 10177(g) of the Code.

FOURTH CAUSE OF ACTION

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While representing a buyer, DANIEL failed to disclose his National Mortgage Licensing System & Registry identification number on the purchase contract for real property located at 3447 Duchess Court, San Jose, California.

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The acts and/or omissions of DANIEL as alleged in Paragraph 15, above, violate Section 10140.6 (disclosure of license status in advertising) of the Code and Section 2773 (disclosure of license identification number on solicitation material) of the Regulations, and are grounds for the discipline of DANIEL's license and license rights under Sections 10177(d) and/or 10177(g) of the Code.

FIFTH CAUSE OF ACTION

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Respondents failed to notify the Bureau of their employment of licensee Vandhana Charan as a real estate salesperson.

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The acts and/or omissions of Respondents as alleged in Paragraph 17, above, violate Section 10161.8 (notification to Bureau of real estate salesperson employment) of the Code, and Section 2752 (notice of change of broker) of the Regulations, and are grounds for the discipline of Respondents' licenses and license rights under Sections 10177(d) and/or 10177(g) of the Code.

SIXTH CAUSE OF ACTION

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Respondents' broker-salesperson relationship agreements with salespersons Elizabeth Burfield and Vandhana Chara failed to cover a material aspect of the relationship between the parties with respect to supervision of licensed activities.

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The acts and/or omissions of Respondents as alleged in Paragraph 19, above, violate Section 2726 (broker-salesperson relationship agreements) of the Regulations, and are grounds for the discipline of Respondents' licenses and license rights under Sections 10177(d) and/or 10177(g) of the Code.

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1 SEVENTH CAUSE OF ACTION

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3 As the designated broker officer for ROYAL, DANIEL was responsible for the
4 supervision and control of the activities conducted on behalf of ROYAL by its officers and
5 employees for the period from February 2, 2011, through April 12, 2012. DANIEL failed to
6 exercise reasonable supervision and control over the property management activities of
7 ROYAL. In particular, DANIEL permitted, ratified and/or caused the conduct described in the
8 Third through Sixth Causes of Action, above, to occur, and failed to take reasonable steps,
9 including, but not limited to, the handling of trust funds, supervision of employees and the
10 implementation of policies, rules, procedures and systems to ensure the compliance of the
11 corporation with the Real Estate Law and the Regulations.

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13 The acts and/or omissions of DANIEL as set forth in Paragraph 21, above, violate
14 Section 10159.2 of the Code and Section 2725 (broker supervision) of the Regulations, and are
15 grounds for the discipline of DANIEL's license and license rights under Sections 10177(d)
16 and/or 10177(g), and 10177(h) (reasonable broker supervision) of the Code.

17 EIGHTH CAUSE OF ACTION

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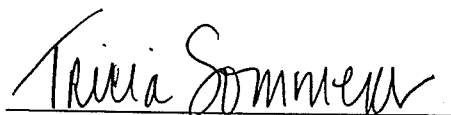
19 As the designated broker officer for ROYAL, ALI was responsible for the
20 supervision and control of the activities conducted on behalf of ROYAL by its officers and
21 employees for the period from April 12, 2012, through the present. ALI failed to exercise
22 reasonable supervision and control over the property management activities of ROYAL. In
23 particular, ALI permitted, ratified and/or caused the conduct described in the Second, Third,
24 Fifth and Sixth Causes of Action, above, to occur, and failed to take reasonable steps,
25 including, but not limited to, the handling of trust funds, supervision of employees and the
26 implementation of policies, rules, procedures and systems to ensure the compliance of the
27 corporation with the Real Estate Law and the Regulations.

The acts and/or omissions of ALI as set forth in Paragraph 23, above, violate Section 10159.2 of the Code and Section 2725 (broker supervision) of the Regulations, and are grounds for the discipline of ALI's license and license rights under Sections 10177(d) and/or 10177(g), and 10177(h) (reasonable broker supervision) of the Code.

COST RECOVERY

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, 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.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents under the Code, and for such other and further relief as may be proper under the provisions of law.



TRICIA SOMMERS
Deputy Real Estate Commissioner

Dated at Sacramento, California

this 29th day of January, 2014.