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FILED

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BUREAU OF REAL ESTATE

By B. Contreras

BEFORE THE
BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
)	NO. H-11687 SF
NICHOLAS JAMES KRAEMER,)	
)	<u>ACCUSATION</u>
Respondent.)	
_____)	

The Complainant, ROBIN S. TANNER, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity for cause of Accusation against NICHOLAS JAMES KRAEMER (herein "Respondent") and is informed and alleges as follows:

1

At all times herein mentioned, Respondent was and now is licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) (herein "the Code").

2

At all times herein mentioned, Respondent was and now is licensed by the State of California Bureau of Real Estate (herein "the Bureau") as a real estate broker.

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At all times herein mentioned, Respondent engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate broker for compensation or in the expectation of compensation within the State of California within the meaning of Section 10131(b) of the Code, including the operation and conduct of a property management business with the public wherein, on behalf of others, Respondent leased or rented or offered to lease or rent, or placed for rent, or solicited listings or places for rent, or solicited for prospective tenants, or negotiated the sale, purchase or exchanges of leases on real property or on a business opportunity, or collected rents from real property, or improvements thereon, or from business opportunities.

In so acting as a real estate broker as described in Paragraph 3, above, Respondent accepted or received funds in trust (herein "trust funds") from or on behalf of tenants, owners, and others in connection with real estate leasing, renting, and collection of rents on real property or improvements thereon, and thereafter from time to time made disbursements of said funds.

The aforesaid trust funds accepted or received by Respondent were deposited or caused to be deposited by Respondent into one or more bank accounts (herein "trust fund accounts") maintained by Respondent for the handling of trust funds at the San Francisco, California, branch of JP Morgan Chase Bank, N.A., including but not necessarily limited to:

- (a) "Doorman Property Management", account number xxxxx2610 (herein "Bank Account #1");
- (b) "Doorman Property Management", account number xxxxxx1980 (herein "Bank Account #2");
- (c) "Doorman Property Management", account number xxxxx2994 (herein "Bank Account #3");
- (d) "Doorman Property Management", account number xxxxx3117 (herein "Trust Account #1"); and
- (e) "Doorman Property Management", account number xxxxx4132 (herein "Trust Account #2").

Between about March 1, 2012 and February 28, 2013, in connection with the property management business and trust fund handling activities described in Paragraphs 3 through 5, above, Respondent:

- (a) caused, suffered or permitted the balance of funds in Respondent Bank Account #1 to be reduced to an amount, which as of February 28, 2013, was approximately \$12, 216.02 less than the aggregate liability of Respondent to all owners of such funds, without the prior written consent of the owners of such funds, in violation of Section 2832.1 of Chapter 6, Title 10, California Code of Regulations (herein "the Regulations");
- (b) failed to place trust funds entrusted to Respondent into the hands of a principal on whose behalf the funds were received, into a neutral escrow depository, or into a trust fund account in the name of Respondent as trustee at a bank or other financial institution for Bank Accounts #1, #2, and #3, in violation of Section 10145 of the Code and Section 2832 of the Regulations;
- (c) failed to keep a columnar record in chronological sequence of all trust funds received and disbursed from Bank Account #3 and Trust Accounts #1 and #2, containing all the information required by Section 2831 of the Regulations; and
- (d) authorized Annette J. E., an unlicensed person without fidelity bond coverage, to make withdrawals from Bank Account #3, in violation of Section 2834 of the Regulations.

The facts alleged above are grounds for the suspension or revocation of the licenses and license rights of Respondent under the following provisions of the Code and/or the Regulations:

- 1 (a) as to Paragraph 6(a) under Section 2832.1 of the Regulations in
2 conjunction with Section 10177(d) of the Code;
3 (b) as to Paragraph 6(b) under Section 10145 of the Code and Section 2832
4 of the Regulations in conjunction with Section 10177(d) of the Code;
5 (c) as to Paragraph 6(c) under Section 2831 of the Regulations in
6 conjunction with Section 10177(d) of the Code; and
7 (d) as to Paragraph 6(d) under Section 2834 of the Regulations in
8 conjunction with Section 10177(d) of the Code.

9 COST RECOVERY

10 8

11 Audit Costs

12 The acts and/or omissions of Respondent as alleged above entitle the Bureau to
13 reimbursement of the costs of its audit pursuant to Section 10148(b) of the Code.

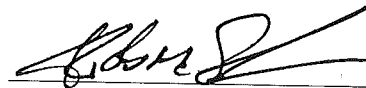
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15 Investigation and Enforcement Costs

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

20 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
21 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
22 action against all licenses and license rights of Respondent under the Real Estate Law (Part 1
23 of Division 4 of the Business and Professions Code), for the cost of the investigation and
24 enforcement as permitted by law, and for such other and further relief as may be proper under
25 other applicable provisions of law.

26 Dated at Oakland, California
27 this 6th day of February, 2014



ROBIN S. TANNER

Deputy Real Estate Commissioner

DISCOVERY DEMAND

Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the

Bureau of Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in
the *Administrative Procedure Act*. Failure to provide Discovery to the Bureau of Real Estate
may result in the exclusion of witnesses and documents at the hearing or other sanctions that the
Office of Administrative Hearings deems appropriate.