

FILED

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BUREAU OF REAL ESTATE

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BEFORE THE
BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

HALA BALBAKY,)

Respondent.)

NO. H-11763 SF

ACCUSATION

The Complainant, ROBIN TANNER, a Deputy Real Estate Commissioner of the State of California makes this Accusation in her official capacity for cause of Accusation against HALA BALBAKY (herein "Respondent") dba Willow Glen Rentals (herein "WGR") and is informed and alleges as follows:

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

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At all times herein mentioned, Respondent was and now is licensed by the Bureau as a real estate broker.

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2 At all times herein mentioned, Respondent engaged in the business of, acted in
3 the capacity of, advertised, or assumed to act as a real estate broker for compensation or in the
4 expectation of compensation within the State of California within the meaning of Section
5 10131(b) of the Code, including the operation and conduct of a property management business
6 with the public wherein, on behalf of others, Respondent leased or rented or offered to lease or
7 rent, or placed for rent, or solicited listings or places for rent, or solicited for prospective tenants,
8 or negotiated the sale, purchase or exchanges of leases on real property or on a business
9 opportunity, or collected rents from real property, or improvements thereon, or from business
10 opportunities.

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

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17 The aforesaid trust funds accepted or received by Respondent were deposited or
18 caused to be deposited by Respondent into one or more bank accounts (herein "trust fund
19 accounts") maintained by Respondent for the handling of trust funds at the following financial
20 institution including but not necessarily limited to the San Jose branch of U. S. Bank in the name
21 of "Justin T. Grosso dba Willow Glen Rentals", account number xxxxxxxx2384 (herein "Bank
22 Account #1").

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24 Between about April 16, 2014 and about April 23, 2014, an audit was conducted
25 of the records of Respondent in connection with the activities described in Paragraphs 3 through
26 5, above. The auditor herein examined the records for the period between about April 1, 2013
27 and about March 31, 2014, and found Respondent:

- 1 (a) failed to place trust funds entrusted to Respondent into the hands of a principal on
2 whose behalf the funds were received, into a neutral escrow depository, or into a
3 trust fund account in the name of Respondent as trustee at a bank or other
4 financial institution for Bank Account #1, in violation of Section 10145 of the
5 Code and Section 2832, Title 10, California Code of Regulations ("the
6 Regulations");
- 7 (b) failed to keep a columnar record in chronological sequence of all trust funds
8 received and disbursed from Bank Account #1 containing all the information
9 required by Section 2831 of the Regulations;
- 10 (c) failed to keep a separate record for each beneficiary or transaction for Bank
11 Account #1 containing all the information required by Section 2831.1 of the
12 Regulations;
- 13 (d) failed to reconcile at least once a month, the balance of all separate beneficiary or
14 transaction records with Bank Account #1, as required by Section 2831.2 of the
15 Regulations;
- 16 (e) caused, suffered or permitted funds of others which was received and held by
17 Respondent in Bank Account #1 to be commingled with Respondent's own
18 money, in violation of Section 10176(e) of the Code and Section 2835 of the
19 Regulations;
- 20 (f) authorized Justin T. G., an unlicensed person without fidelity bond coverage to
21 make withdrawals from Bank Account #1, in violation of Section 2834 of the
22 Regulations;
- 23 (g) failed to obtain a real estate license bearing the fictitious business name
24 "Willow Glen Rentals," while conducting activities for which a license was
25 required, in violation of Section 10159.5 of the Code and Section 2731 of the
26 Regulations; and,

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1 (h) failed to disclose real her estate license identification number on WGR's website,
2 in violation of Section 10140.6(b) of the Code and Section 2773 of the
3 Regulations.
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6 The facts alleged above are grounds for the suspension or revocation of the license
7 and license rights of Respondent under the following provisions of the Code and/or the
8 Regulations:

- 9 (a) as to Paragraph 6(a) under Section 10145 of the Code and Section
10 2832 of the Regulations in conjunction with Section 10177(d) of the
11 Code;
- 12 (b) as to Paragraph 6(b) under Section 2831 of the Regulations in
13 conjunction with Section 10177(d) of the Code;
- 14 (c) as to Paragraph 6(c) under Section 2831.1 of the Regulations in
15 conjunction with Section 10177(d) of the Code;
- 16 (d) as to Paragraph 6(d) under Section 2831.2 of the Regulations in
17 conjunction with Section 10177(d) of the Code;
- 18 (e) as to Paragraph 6(e) under Section 10176(e) of the Code and Section
19 2835 of the Regulations in conjunction with Section 10177(d) of the
20 Code;
- 21 (f) as to Paragraph 6(f) under Section 2834 of the Regulations, in
22 conjunction with Section 10177(d) of the Code;
- 23 (g) as to Paragraph 7(g) under Section 10159.5 of the Code and Section
24 2731 of the Regulations, in conjunction with Section 10177(d) of the
25 Code; and
- 26 (h) as to Paragraph 7(h) under Section 10140.6(b) of the Code and
27 Section 2773 of the Regulations in conjunction with Section
10177(d) of the Code.

1 COST RECOVERY

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3 Audit Costs

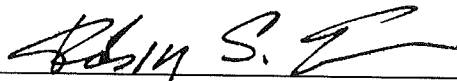
4 The acts and/or omissions of Respondent as alleged above entitle the Bureau to
5 reimbursement of the costs of its audit pursuant to Section 10148(b) of the Code.

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7 Investigation and Enforcement Costs

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

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

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21 ROBIN TANNER
22 Deputy Real Estate Commissioner
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25 Dated at Oakland, California
26 this 3rd day of October, 2014.
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