

FILED

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BUREAU OF REAL ESTATE

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8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of)
12) NO. H-11770 SF
13 DREW AUDRAIN EGGUM,)
14) ACCUSATION
Respondent.)

15 The Complainant, ROBIN S. TANNER, a Deputy Real Estate Commissioner of
16 the State of California, for Accusation against Respondent DREW AUDRAIN EGGUM
17 (Respondent), is informed and alleges as follows:

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19 The Complainant makes this Accusation against Respondent in her official
20 capacity.

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22 At all times until April 5, 2014, Respondent was licensed under the Real Estate
23 Law, Part 1 of Division 4 of the California Business and Professions Code (the Code) by the
24 Bureau of Real Estate (the Bureau) as a real estate broker. Respondent was licensed to do
25 business as Blue Sapphire Homes until April 6, 2014.

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At all times mentioned, Respondent engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California, within the meaning of Section 10131(b) of the Code, including the operation and conduct of a property management business wherein Respondent leased, rented, or offered to lease or rent, solicited listings for lease or rent, collected rents from tenants or lessees, or performed other services for real property owners and tenants or lessees, all for or in expectation of compensation.

FIRST CAUSE OF ACTION

Beginning on May 9, 2014, and continuing intermittently through August 5, 2014, an audit was conducted at the Oakland District Office located at 1515 Clay Street, 7th Floor, in Oakland, California, where the auditor examined records for the period of January 1, 2013, through May 31, 2014, (the audit period).

While acting as a real estate broker as described in Paragraph 3, above, and within the audit period, Respondent accepted or received funds in trust (trust funds) from or on behalf of property owners, lessees and others in connection with property management activities, deposited or caused to be deposited those funds into bank accounts maintained by Respondent, at Wells Fargo Bank, P.O. Box 6995, Portland, Oregon, 97228, as described below:

BANK ACCOUNT #1	
Account No.:	XXXXXXX0991
Entitled:	Drew Eggum dba Blue Sapphire Homes
BANK ACCOUNT #2	
Account No.:	XXXXXXX0983
Entitled:	Drew Eggum dba Blue Sapphire Homes

TRUST ACCOUNT #1	
Account No.:	XXXXXXXXXXXX1294
Entitled:	Blue Sapphire Homes Trust Account

and thereafter from time to time made disbursement of said trust funds.

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In the course of the activities described in Paragraph 3, in connection with the collection and disbursement of trust funds, Respondent:

- (a) Failed to designate Bank Account #1 and Bank Account #2 as a trust account in the name of the broker, as required by Section 2832 of Chapter 6, Title 10, California Code of Regulations (Regulations);
- (b) Mixed trust funds in amount of \$5,009.15 with broker funds in Trust Account #2 in violation of Section 2835 of the Regulations and Section 10176(e) of the Code;
- (c) An accountability was performed on Trust Account #1 and as of April 9, 2014, a shortage of \$41,282.54 was revealed and on April 30, 2014, shortage of \$37,030.82 was revealed in violation of Section 10145 of the Code;
- (d) Failed to properly maintain control records for Bank Account #2 as required by Section 2831 of the Regulations;
- (e) Failed to properly maintain separate beneficiary records for Bank Account #2 as required by Section 2831.1 of the Regulations;
- (f) Failed to reconcile control records with separate beneficiary records for Bank Account #1 and Bank Account #2, as required by Section 2831.2 of the Regulations;
- (g) Failed to maintain on file, the address of his principal place of business with the Bureau of as required by Section 10162 of the Code;

(h) Failed to list his license identification number on solicitation materials, i.e. his website, as required by Section 2773 of the Regulations.

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The acts and/or omissions of Respondent as alleged above violate Sections 2773 (license identification), 2831 (control records), 2831.1 (separate beneficiary records), 2831.2 (monthly reconciliations), 2832 (trust fund designation) and 2835 (commingling) of the Regulations and of Sections 10145 (trust fund handling), 10162 (notice principal office) and 10176(e) (commingling) and are grounds for discipline under Section 10176(e), 10177(d) (willful disregard/violation of Real Estate Law) and 10177(g) (negligence/incompetence real estate licensee) of the Code.

SECOND CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 7, above, and incorporates them herein by reference.

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After Respondent's individual real estate broker license expired on April 5, 2014, he continued to engage in real estate activities requiring a license. Respondent earned the following management fees during May 2014:

<u>Date</u>	<u>Property</u>	<u>Amount</u>
5/1/14	Simas Avenue	\$145.00
5/1/14	Sharene Lane	\$75.00
5/2/14	Queen Street	\$145.00
5/4/14	Stacy Street	\$145.00

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From and since April 5, 2014, Respondent engaged in the business of, acted in the capacity of, advertised the capacity of the operation and conduct of a property management business wherein they leased, rented, or offered to lease or rent, solicited listings for lease or rent, collected rents from tenants or lessees, or performed other services for real property owners and tenants or lessees, all for or in expectation of compensation.

The acts or omissions alleged in Paragraphs 8 through 10, above, constitute a violation of Sections 10130 (licensed activity) and 10137 (hiring unlicensed persons) of the Code and are cause for the suspension or revocation of the licenses and license rights of EGGUM under Sections 10130, 10177(d) and 10177(g) of the Code.

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 Respondent under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other provisions of law.



ROBIN S. TANNER
Deputy Real Estate Commissioner

Dated at Oakland, California,

this 14th day of October, 2014.