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BUREAU OF REAL ESTATE

By S. Black

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BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)	
)	
S & I VENTURES, INC., a Corporation, and)	NO. H-11790 SF
STOCKTON REAL ESTATE INC.,)	
a Corporation,)	<u>ACCUSATION</u>
)	
Respondents.)	
)	

The Complainant, ROBIN TANNER, a Deputy Real Estate Commissioner of the State of California, makes this cause of Accusation in her official capacity against S & I VENTURES, INC. (herein "SIVI"), dba "Real Property Management East Bay Oakland," and STOCKTON REAL ESTATE INC. (herein "SREI") dba "Real Property Management East Bay South" (herein collectively "Respondents"), is informed and alleges as follows:

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At all times herein mentioned, Respondents were and are presently licensed and/or have 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, Respondents were and are presently licensed by the State of California Bureau of Real Estate (herein the "Bureau") as corporate real estate brokers; however neither are currently associated with a broker.

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Whenever reference is made in an allegation in this Accusation to an act or omission of Respondents, such allegation shall be deemed to mean that the officers, directors, employees, agents and/or real estate licensees employed by or associated with Respondents committed such act or omission while engaged in the furtherance of the business or operations of such corporate Respondents and while acting within the course and scope of their authority and employment.

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At all times herein mentioned Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers wherein, on behalf of others, for compensation or in 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 Respondents leased or rented or offered to lease or rent, or placed for rent, or solicited listings of 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.

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In so acting as real estate brokers, as described in Paragraph 4 above, Respondents 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.

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1 FIRST CAUSE OF ACCUSATION – SIVI

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3 The allegations of Paragraphs 1 through 5, above, are incorporated herein by
4 reference.

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6 The aforesaid trust funds described in Paragraph 5, above, accepted or received by
7 Respondent SIVI were deposited or caused to be deposited by Respondent into one or more bank
8 accounts (herein “trust fund accounts”) maintained by Respondent for the handling of trust funds
9 at the Oakland, California branch of J P Morgan Chase bank:

- 10 (a) “S & I Ventures Inc DBA Real Property Management East Bay Oakland”
11 account number xxxxx4984 (herein “SIVI Bank Account #1”);
12 (b) “S & I Ventures Inc DBA Real Property Management East Bay Oakland,”
13 account number xxxxx4992 (herein “SIVI Bank Account #2”);
14 (c) “S & I Ventures Inc DBA Real Property Management East Bay Oakland”
15 account number xxxxxx3838 (herein “SIVI Bank Account #3”); and
16 (d) “S & I Ventures Inc DBA Real Property Management East Bay Oakland,”
17 account number xxxxxx3846 (herein “SIVI Bank Account #4”);

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19 Between about March 15, 2012 and June 29, 2012, an audit was conducted by the
20 Bureau for the period from about January 1, 2011 through about February 29, 2012, and the
21 following findings were made in connection with Respondent SIVI’s licensed activities,
22 described in Paragraphs 5 and 7, above, in that Respondent:

- 23 (a) failed to place trust funds entrusted to Respondent into the hands of a
24 principal on whose behalf the funds were received, into a neutral escrow
25 depository, or into a trust fund account in the name of Respondent as trustee
26 at a bank or other financial institution for SIVI Bank Accounts #1-#4, in
27 violation of Sections 10145 of the Code and Section 2832 of the

1 Regulations;

- 2 (b) failed to reconcile at least once a month, the balance of all separate
3 beneficiary or transaction records with SIVI Bank Account #1, in violation
4 of Section 2831.2 of the Regulations;
- 5 (c) failed to maintain a broker-salesperson agreement with Steven C., in
6 violation of Section 2726 of the Regulations; and
- 7 (d) allowed Steven and Ingrid C., who were not licensed to Respondent, to be
8 signatories on the SIVI Bank Accounts #1-#4 without also naming its officer
9 broker, David Kumar Lal, as a signatory on SIVI Bank Accounts #1-#4, in
10 violation of Section 2834 of the Regulations.

11 SECOND CAUSE OF ACCUSATION – SREI

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13 The allegations of Paragraphs 1 through 8, above, are incorporated herein by
14 reference.

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16 The aforesaid trust funds described in Paragraph 5, above, accepted or received by
17 Respondent SREI were deposited or caused to be deposited by Respondent into one or more bank
18 accounts (herein “trust fund accounts”) maintained by Respondent for the handling of trust funds
19 at the Stockton, California branch of Wells Fargo Bank, “Stockton Real Estate Inc., Real
20 Property Management, Client Trust Account #2,” account number xxxxxx8090 (SREI Trust
21 Account #1).

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23 Between about March 19, 2012 and June 29, 2012, an audit was conducted by the
24 Bureau for the period from about January 1, 2011 through about February 29, 2012, and the
25 following findings were made in connection with Respondent SREI’s licensed activities,
26 described in Paragraphs 5 and 10, above, in that Respondent:

- 27 (a) caused, suffered or permitted the balance of funds in SREI Trust Account #1

1 to be reduced to an amount, which as of January 31, 2012, was
2 approximately \$544.43 less than the aggregate liability of Respondent to all
3 owners of such funds, without the prior written consent of the owners of
4 such funds, in violation of Section 2832.1 of the Regulations; and

5 (b) allowed, without specifically authorizing in writing Derrick J. as a signatory
6 on SREI Trust Account #1 and without naming its designated officer broker,
7 David Kumar Lal, as a signatory on SREI Trust Account #1, in violation of
8 Section 2834 of the Regulations.

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

12 (a) as to Paragraph 8(a) and Respondent SIVI under Section 10145 of the Code
13 and Section 2832 of the Regulations in conjunction with Section 10177(d) of the Code;

14 (b) as to Paragraph 8(b) and Respondent SIVI under Section 2831.2 of the
15 Regulations in conjunction with Section 10177(d) of the Code;

16 (c) as to Paragraph 8(c) and Respondent SIVI under Section 2726 of the
17 Regulations in conjunction with Section 10177(d) of the Code;

18 (d) as to Paragraph 8(d) and Respondent SIVI under Sections 2834 of the
19 Regulations in conjunction with Section 10177(d) of the Code;

20 (e) as to Paragraph 11(a) and Respondent SREI under Section 2832.1 of the
21 Regulations in conjunction with Section 10177(d) of the Code;

22 (f) as to Paragraph 11(b) and Respondent SREI under Section 2834 of the
23 Regulations in conjunction with Section 10177(d) of the Code;

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1 COST RECOVERY

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3 Audit Costs

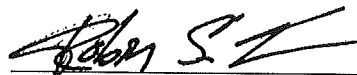
4 The acts and/or omissions of Respondents as alleged in the above entitle the
5 Bureau to reimbursement of the costs of its audits pursuant to Section 10148(b) of the Code.

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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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19 ROBIN TANNER
20 Deputy Real Estate Commissioner

21 Dated at Oakland, California
22 this 30th day of December, 2014.