

Slag

FILED

BEFORE THE
BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

MAR 24 2015

BUREAU OF REAL ESTATE

By S. Black

In the Matter of the Accusation of)
)
S & I VENTURES, INC., a Corporation, and)
STOCKTON REAL ESTATE INC.,)
a Corporation,)
)
Respondents)

NO. H-11790 SF

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code, and pursuant to the Order of Default filed on March 4, 2015. The Findings of Fact set forth herein are based on one or more of the following: (1) Respondents' express admissions; (2) affidavits; and/or, (3) other evidence.

This Decision revokes Respondents' real estate licenses on grounds of the mishandling of trust funds.

The right to reinstatement of a revoked real estate license is controlled by Section 11522 of the Government Code. A copy of Section 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of Respondents.

FINDINGS OF FACT

1

On December 30, 2014, Robin Tanner made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and form for the Notice of Defense were mailed, by certified and regular mail to Respondents at their last known mailing addresses on file with the Bureau on January 5, 2015.

On January 23, 2015, a Notice of Defense was received for S & I VENTURES, INC. (herein "SIVI"); however, it was subsequently withdrawn and said withdrawal was filed on February 6, 2015; No Notice of Defense having been filed herein for STOCKTON REAL ESTATE INC. (herein "SREI") and within the time prescribed by Section 11506 of the Government Code; therefore, a default for both Respondents' licenses was entered herein on March 4, 2015.

2

At all times herein mentioned, Respondents were 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").

3

At all times herein mentioned, Respondents were licensed and/or are now licensed by the State of California Bureau of Real Estate (herein the "Bureau") as corporate real estate brokers.

4

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 exchange of leases on real property, or on a business opportunity or collected rents from real property, or improvements thereon, or from business opportunities.

5

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.

S & I VENTURES, INC.

6

The aforesaid trust funds described in Paragraph 5, above, accepted or received by Respondent SIVI 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 Oakland, California branch of J P Morgan Chase bank as follows:

- (a) "S & I Ventures Inc DBA Real Property Management East Bay Oakland" account number xxxxx4984 (herein "SIVI Bank Account #1");
- (b) "S & I Ventures Inc DBA Real Property Management East Bay Oakland," account number xxxxx4992 (herein "SIVI Bank Account #2");
- (c) "S & I Ventures Inc DBA Real Property Management East Bay Oakland" account number xxxxxx3838 (herein "SIVI Bank Account #3"); and
- (d) "S & I Ventures Inc DBA Real Property Management East Bay Oakland," account number xxxxxx3846 (herein "SIVI Bank Account #4").

7

Between about March 15, 2012 and June 29, 2012, an audit was conducted by the Bureau for the period from about January 1, 2011 through about February 29, 2012, and the

following findings were made in connection with Respondent SIVI's licensed activities, described in Paragraphs 5 and 6, above, in that Respondent:

- (a) 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 SIVI Bank Accounts #1-#4, in violation of Section 10145 of the Code and Section 2832 of Title 10, California Code of Regulations (herein "the Regulations");
- (b) failed to reconcile at least once a month, the balance of all separate beneficiary or transaction records with SIVI Bank Account #1, in violation of Section 2831.2 of the Regulations;
- (c) failed to maintain a broker-salesperson agreement with Steven C. (herein "Steven"), in violation of Section 2726 of the Regulations; and
- (d) allowed Steven and Ingrid C., who was not licensed under Respondent SIVI, to be signatories on the SIVI Bank Accounts #1-#4 without also naming its officer broker, David Kumar Lal, as a signatory on SIVI Bank Accounts #1-#4, in violation of Section 2834 of the Regulations.

STOCKTON REAL ESTATE, INC.

8

The aforesaid trust funds described in Paragraph 5, above, accepted or received by Respondent SREI 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 Stockton, California branch of Wells Fargo Bank, "Stockton Real Estate Inc., Real Property Management, Client Trust Account #2," account number xxxxxx8090 (herein "SREI Trust Account #1").

9

Between about March 19, 2012 and June 29, 2012, an audit was conducted by the Bureau for the period from about January 1, 2011 through about February 29, 2012, and the following findings were made in connection with Respondent SREI's licensed activities, described in Paragraphs 5 and 8, above, in that Respondent:

- (a) caused, suffered or permitted the balance of funds in SREI Trust Account #1 to be reduced to an amount, which as of January 31, 2012, was approximately \$544.43 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 the Regulations; and
- (b) allowed, without specifically authorizing in writing Derrick J., as a signatory on SREI Trust Account #1 and without naming its designated officer broker, David Kumar Lal, as a signatory on SREI Trust Account #1, in violation of Section 2834 of the Regulations.

DETERMINATION OF ISSUES

1

The facts found above constitute cause under the following Sections of the Code and Regulations for suspension or revocation of all licenses and license rights of Respondents under the Real Estate Law.

- (a) as to Paragraph 7(a) and Respondent SIVI under Section 10145 of the Code and Section 2832 of the Regulations in conjunction with Section 10177(d) of the Code;
- (b) as to Paragraph 7(b) and Respondent SIVI under Section 2831.2 of the Regulations in conjunction with Section 10177(d) of the Code;
- (c) as to Paragraph 7(c) and Respondent SIVI under Section 2726 of the Regulations in conjunction with Section 10177(d) of the Code;
- (d) as to Paragraph 7(d) and Respondent SIVI under Sections 2834 of the Regulations in conjunction with Section 10177(d) of the Code;
- (e) as to Paragraph 9(a) and Respondent SREI under Section 2832.1 of the Regulations in conjunction with Section 10177(d) of the Code;
- (f) as to Paragraph 9(b) and Respondent SREI under Section 2834 of the Regulations in conjunction with Section 10177(d) of the Code;

2

The standard of proof applied is clear and convincing proof to a reasonable certainty.

ORDER

The real estate licenses and license rights of Respondents S & I VENTURES, INC., and STOCKON REAL ESTATE INC., under the provisions of Part I of Division 4 of the Business and Professions Code, are hereby revoked.

This Decision shall become effective at 12 o'clock noon on APR 14 2015.

DATED: March 19, 2015

REAL ESTATE COMMISSIONER



By: JEFFREY MASON
Chief Deputy Commissioner

1 BUREAU OF REAL ESTATE
2 P. O. Box 137007
3 Sacramento, CA 95813-7007

4 Telephone: (916) 263-8670

FILED

MAR - 4 2015

BUREAU OF REAL ESTATE

By K. Contreras

6 BEFORE THE
7 BUREAU OF REAL ESTATE
8 STATE OF CALIFORNIA

9 * * *

10 In the Matter of the Accusation of)
11)
12 S & I VENTURES, INC.,)
13 a Corporation, and,)
14 STOCKTON REAL ESTATE INC.,)
15 a Corporation)
 Respondents.)

NO. H-11790 SF

DEFAULT ORDER

16 Respondent S & I VENTURES, INC., having withdrawn its Notice of Default and
17 Respondent STOCKTON REAL ESTATE INC., having failed to file a Notice of Defense within
18 the time required by Section 11506 of the Government Code, are now in default. It is, therefore,
19 ordered that a default be entered on the record in this matter as to S & I VENTURES, INC. and
20 STOCKTON REAL ESTATE INC.

21 IT IS SO ORDERED March 4, 2015.

22
23 WAYNE S. BELL
24 Real Estate Commissioner

25 By: Joe M. Carrillo
26 JOE M. CARRILLO
27 Regional Manager