

FILED

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BUREAU OF REAL ESTATE

By S. Black

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8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of :

No. H-11882 SF

12 EAH, INC., and
13 LAURA HELENA HALL,

ACCUSATION

14 Respondents.
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16 The Complainant, ROBIN S. TANNER, a Supervising Special Investigator of the
17 State of California, for cause of Accusation against EAH, INC ("EAH") and LAURA HELENA
18 HALL ("HALL") (collectively referred to as "Respondents"), is informed and alleges as follows:

19 PRELIMINARY ALLEGATIONS

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21 The Complainant, ROBIN S. TANNER, a Supervising Special Investigator of
22 the State of California, makes this Accusation in her official capacity.

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24 Respondents are presently licensed and/or have license rights under the Real
25 Estate Law, Part 1 of Division 4 of the Business and Professions Code ("Code").

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

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At all times mentioned herein, Respondent HALL was and is licensed by the Bureau individually as a real estate broker. At all times mentioned herein, HALL was the designated officer of EAH and was therefore responsible, pursuant to section 10159.2 of the Code, for the supervision of the activities of the officers, agents, real estate licensees and employees of Respondent EAH for which a real estate license is required.

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From September 2, 2010 to September 1, 2014, Edward Jacobson was licensed by the Bureau as a real estate salesperson. EAH served as Edward Jacobson's employing broker of record for the entire period he was licensed by the Bureau as a real estate salesperson.

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At no time mentioned was Mary Murtagh licensed by the Bureau in any capacity.

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At no time mentioned was Alvin Bonnett licensed by the Bureau in any capacity.

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At no time mentioned was Dianna Ingle licensed by the Bureau in any capacity.

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At no time mentioned was Matthew Steinle licensed by the Bureau in any capacity.

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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 employees, agents, real estate licensees, and others employed by or associated with Respondents committed such act

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1 or omission while engaged in furtherance of the business or operations of Respondents and while
2 acting within the course and scope of their authority and employment.

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4 At all times mentioned, Respondents engaged in the business of, acted in the
5 capacity of, advertised, or assumed to act as a real estate broker within the State of California
6 within the meaning of Sections 10131(b) of the Code, including the operation and conduct of a
7 property management business with the public wherein, on behalf of others, for compensation or
8 in expectation of compensation, Respondents leased or rented and offered to lease or rent, and
9 solicited for prospective tenants of real property or improvements thereon, and collected rents
10 from real property or improvements thereon.

11 FIRST CAUSE OF ACTION

12 Unlicensed Activities

13 (As to both Respondents EAH and HALL)

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15 Each and every allegation in Paragraphs 1 through 11, inclusive, is incorporated
16 by this reference as if fully set forth herein.

17 13

18 Within the last three years, Respondents willfully caused, suffered, permitted,
19 and/or disregarded the real estate law by allowing Dianna Ingle to perform the acts and conduct
20 the real estate activities described in Paragraph 11, including, but not limited to, the activities
21 described in Paragraph 14, below.

22 14

23 Within the last three years, in the course of the employment and activities
24 described in Paragraph 11, Dianna Ingle, on behalf of EAH, solicited prospective tenants for,
25 negotiated rental agreements for, and/or collected rents from real properties owned by another or
26 others, including, but not limited to, the following:

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<u>Property Address</u>	<u>Type of Agreement</u>	<u>Name of Owner</u>	<u>Date of Agreement</u>
1615 Russell Street	Property Management	Rosewood Manor, Inc.	September 1, 2013
1410-1465 Camino Real	Property Management	Presidio El Camino, L.P.	March 15, 2011
1058 South 5 th Street	Property Management	San Jose Artist Housing, L.P.	January 1, 2012
2400 Fair Drive and 2435 Sutherland Drive	Property Management	EAH Rohlffs Concordia Manor, LP	September 17, 2013

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In acting as described above, Respondents willfully caused, suffered, and/or permitted, Dianna Ingle to violate and/or willfully disregard Section 10130 of the Code.

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The facts alleged above in the First Cause of Action are grounds for the suspension or revocation of Respondents' licenses and license rights pursuant to Section 10130 of the Code, in conjunction with Section 10177(d) of the Code.

SECOND CAUSE OF ACTION

Audit Violations

(As to both Respondents EAH and HALL)

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Each and every allegation in Paragraphs 1 through 16, inclusive, is incorporated by this reference as if fully set forth herein.

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Beginning on or about January 31, 2014, and continuing intermittently through May 9, 2014, an audit was conducted of EAH's records. The auditor herein examined the records for the period of January 1, 2011, through December 31, 2013.

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While acting as a real estate licensee as described in Paragraph 11, Respondents accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in connection with the leasing, renting, and collection of rents on real property or improvements

1 thereon, as alleged herein, and thereafter from time to time made disbursements of said trust
2 funds.

3 20

4 The trust funds accepted or received by Respondents, as described in Paragraph
5 19, were deposited or caused to be deposited by Respondents into trust accounts which were
6 maintained by Respondents for the handling of trust funds, and thereafter from time-to-time
7 Respondents made disbursements of said trust funds, identified as follows:

BANK ACCOUNT # 1	
8 Bank Name and Location:	Wells Fargo Bank, N.A. 9 P.O. Box 63020 10 San Francisco, CA 94163
11 Account No.:	XXXXXX1120
12 Entitled:	Presidio El Camino LP Operating Account
13 Signatories:	Michael Ferrel (salesperson, license expired), Laura Hall 14 (broker), Mary Murtagh (unlicensed), Alvin Bonnett (unlicensed), Dianna Ingle (unlicensed), Edward Jacobson (salesperson), Fernando Pena (salesperson, NBA), Susannah 15 Scullin (salesperson, license expired), Matthew Steinle (unlicensed).
16 No. of Signatures Required:	Two if withdrawal greater than \$500.00. According to EAH 17 Inc. policy, withdrawals of less that \$500.00 could be made using a facsimile signature of Mary Murtagh only.
18 Purpose	Used for deposits and disbursements related to properties 19 managed by EAH.

BANK ACCOUNT # 2	
20 Bank Name and Location:	Wells Fargo Bank, N.A. 21 P.O. Box 63020 22 San Francisco, CA 94163
23 Account No.:	XXXXXX1138
24 Entitled:	Presidio El Camino LP Security Deposit Account
25 Signatories:	Michael Ferrel (salesperson, license expired), Laura Hall 26 (broker), Mary Murtagh (unlicensed), Alvin Bonnett (unlicensed), Dianna Ingle (unlicensed), Edward Jacobson (salesperson), Fernando Pena (salesperson, NBA), Susannah 27 Scullin (salesperson, license expired), Matthew Steinle (unlicensed).
No. of Signatures Required:	Two if withdrawal greater than \$500.00. According to EAH Inc. policy, withdrawals of less that \$500.00 could be made using a facsimile signature of Mary Murtagh only.
Purpose	Used to hold security deposits for properties managed by EAH.

BANK ACCOUNT # 3	
Bank Name and Location:	Luther Burbank Savings P.O. Box 63020 San Francisco, CA 94163
Account No.:	XXXXX1336
Entitled:	Presidio El Camino LP Replacement Reserve Account
Signatories:	Michael Ferrel (salesperson, license expired), Laura Hall (broker), Mary Murtagh (unlicensed), Alvin Bonnett (unlicensed), Dianna Ingle (unlicensed), Edward Jacobson (salesperson), Fernando Pena (salesperson, NBA), Susannah Scullin (salesperson, license expired), Matthew Steinle (unlicensed).
No. of Signatures Required:	Two if withdrawal greater than \$500.00. According to EAH Inc. policy, withdrawals of less than \$500.00 could be made using a facsimile signature of Mary Murtagh only.
Purpose	Used to hold reserve and replacement fund for properties managed by EAH.

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In the course of the activities described in Paragraph 11, Respondents:

(a) failed to properly designate Bank Accounts #1, #2 and #3 as trust accounts in the name of EAH, as trustee, in violation of Section 10145 of the Code and Section 2832, Title 10, California Code of Regulations (“the Regulations”);

(b) allowed unlicensed signers Mary Murtagh, Alvin Bonnett, Dianna Ingle and Matthew Steinle to serve as authorized signors on Bank Accounts #1, #2, and #3 without providing for fidelity bond coverage, in violation of Section 10145 of the Code, and Section 2834 of the Regulations; and

(c) conducted property management activities under the name “Sierra Property Services” which was not a licensed dba, in violation of Section 10145 of the Code and Section 2731 of the Regulations.

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The acts and/or omissions of Respondents, as alleged above in Paragraph 21, constitute grounds for the suspension or revocation of all licenses and license rights of Respondents pursuant to the following provisions of the Code and Regulations:

1 As to Paragraph 21(a), under Section 10177(d) and/or 10177(g) of the Code, in
2 conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

3 As to Paragraph 21(b), under Section 10177(d) and/or 10177(g) of the Code, in
4 conjunction with Section 10145 of the Code and Section 2834 of the Regulations; and

5 As to Paragraph 21(c), under Section 10177(d) and/or 10177(g) of the Code, in
6 conjunction with Section 10145 of the Code and Section 2731 of the Regulations.

7 THIRD CAUSE OF ACTION

8 Dishonest Dealing

9 (As to both Respondents EAH and HALL)

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11 Each and every allegation in Paragraphs 1 through 22, inclusive, is incorporated
12 by this reference as if fully set forth herein.

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14 As a result of the audit of EAH's records, as described above in Paragraph 18,
15 the Bureau discovered an agreement between EAH and salesperson Edward Jacobson entitled
16 "Real Estate Salesperson Employment Agreement." Although the document was dated
17 September 2, 2010, it referenced the California Bureau of Real Estate; a name that did not come
18 into use by the Bureau until 2013. The Bureau is therefore informed, believes and thereon
19 alleges that EAH and/or HALL backdated the Real Estate Salesperson Employment Agreement
20 of Edward Jacobson.

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22 The acts and/or omissions of EAH and HALL, as alleged above in Paragraph 24,
23 constitute grounds for the suspension or revocation of all licenses and license rights of
24 Respondents pursuant to section 10176(i) or 10177(j) of the Code.

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1 FOURTH CAUSE OF ACTION

2 Failure to Supervise

3 (As to Respondent HALL)

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5 Each and every allegation in Paragraphs 1 through 25, inclusive, is incorporated
6 by this reference as if fully set forth herein.

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8 HALL, as the designated broker officer of EAH, was required to exercise
9 reasonable supervision and control over the activities of EAH. HALL failed to exercise
10 reasonable supervision over the acts and/or omissions of EAH in such a manner as to allow the
11 acts and/or omissions described above in the Second Cause of Action to occur, all in violation of
12 Section 10159.2 of the Code and Section 2725 of the Regulations.

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14 The facts described above as to the Fourth Cause of Action constitutes cause for
15 the discipline of all licenses and license rights of HALL under Section 10177(d) and/or
16 10177(g), and Section 10177(h) of the Code.

17 COST RECOVERY

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19 The acts and/or omissions of Respondents, as alleged above in the Second Cause
20 of Action, entitle the Bureau to reimbursement of the costs of its audit pursuant to Section
21 10148(b) (audit costs for trust fund handling violation) of the Code.

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

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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against all licenses and license rights of Respondents under the Code, for the costs of
4 investigation and enforcement as permitted by law, for the cost of the audit, and for such other
5 and further relief as may be proper under other provisions of law.

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8 ROBIN S. TANNER
 Supervising Special Investigator

9 Dated at Oakland, California,
10 this 9th day of August, 2015

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13 DISCOVERY DEMAND

14 Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the Bureau
15 of Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the
16 *Administrative Procedure Act*. Failure to provide Discovery to the Bureau of Real Estate may
17 result in the exclusion of witnesses and documents at the hearing or other sanctions that the
18 Office of Administrative Hearings deems appropriate.