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FILED

SEP 29 2015

BUREAU OF REAL ESTATE

By B. Nicholas

10 BEFORE THE BUREAU OF REAL ESTATE
11 STATE OF CALIFORNIA

12 * * *

13 In the Matter of the Accusation of)
14 FLOWCASH INVESTMENT INC., and)
15 YONG GANG HU,)
16 Respondents.)

No. H-11888 SF
ACCUSATION

17 The Complainant, ROBIN S. TANNER, a Supervising Special Investigator of the
18 State of California, for cause of Accusation against FLOWCASH INVESTMENT INC. and
19 YONG GANG HU (collectively "Respondents"), is informed and alleges as follows:

20 PRELIMINARY ALLEGATIONS

21 1

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

24 2

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

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At all times mentioned, Respondent FLOWCASH INVESTMENT INC. (FCI) was and is licensed by the State of California Bureau of Real Estate (Bureau) as a real estate broker corporation.

4

At all times mentioned, Respondent YONG GANG HU (HU) was and is licensed by the Bureau individually as a real estate broker, and as the designated broker officer of FCI. As said designated broker officer, HU was 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 FCI for which a license is required.

5

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

6

At all times mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers in the State of California, within the meaning of Section 10131(b) of the Code in the operation and conduct of a property management business with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondents leased or rented and offered to lease or rent, and placed for rent, and solicited listings of places for rent, and solicited for prospective tenants of real property or improvements thereon, and collected rents from real property or improvements thereon.

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1 FIRST CAUSE OF ACTION

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

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6 On or about April 7, 2015, and continuing intermittently through May 21, 2015,
7 an audit was conducted of the records of FCI. The auditor herein examined the records for the
8 period of January 1, 2014, through March 31, 2015.

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10 While acting as a real estate broker as described in Paragraph 6, Respondents
11 accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in
12 connection with the leasing, renting, and collection of rents on real property or improvements
13 thereon, as alleged herein, and thereafter from time to time made disbursements of said trust
14 funds.

15 10

16 The trust funds accepted or received by Respondents as described in Paragraph 9
17 were deposited or caused to be deposited by Respondents into trust accounts which were
18 maintained by Respondents for the handling of trust funds, and thereafter from time-to-time
19 Respondents made disbursements of said trust funds, identified as follows:

20

BANK ACCOUNT # 1	
21 Bank Name and Location:	Wells Fargo Bank P.O. Box 6995 Portland, OR 97228-6995
22 Account No.:	XXXXXX0442
23 Entitled:	Flowcash Investment Inc.

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BANK ACCOUNT # 2	
Bank Name and Location:	Chase Bank P.O. Box 659754 San Antonio, TX 78265-9754
Account No.:	XXXXXX6890
Entitled:	Flowcash Investment, Inc.

TRUST ACCOUNT # 1	
Bank Name and Location:	Chase Bank P.O. Box 659754 San Antonio, TX 78265-9754
Account No.:	XXXXXX9988
Entitled:	Flowcash Investment, Inc. Client Trust Account

BANK ACCOUNT # 3	
Bank Name and Location:	Chase Bank P.O. Box 659754 San Antonio, TX 78265-9754
Account No.:	XXXXX7151
Entitled:	Flowcash Investment, Inc.

11

In the course of the activities described in Paragraph 6, Respondents:

(a) caused, suffered, or permitted the combined balance of funds in Bank Account #1, Bank Account #2, and Trust Account #1 to be reduced to an amount which, as of February 27, 2015, was approximately \$505,038.92 less than the aggregate liability of Bank Account #1, Bank Account #2, and Trust Account #1 to all owners of such funds in violation of Section 10145 of the Code and Section 2832.1 of Title 10 of the California Code of Regulations (Regulations);

(b) caused, suffered, or permitted the balance of funds in Bank Account #3 to be reduced to an amount which, as of March 31, 2015, was approximately \$1,029.00 less than the aggregate liability of Bank Account #3 to all owners of such funds in violation of Section

1 10145 of the Code and Section 2832.1 of Title 10 of the California Code of Regulations
2 (Regulations);

3 (c) failed to deposit trust funds into one or more trust funds accounts in the
4 name of FCI as trustee at a bank or other financial institution, in conformance with Section
5 10145 of the Code and Section 2832 of the Regulations;

6 (d) failed to maintain a written control record, for Bank Account #1, Bank
7 Account #2, Trust Account #1, and Bank Account #3 of all trust funds received and disbursed,
8 containing all information required by Section 2831 of the Regulations;

9 (e) failed to keep accurate separate records for each beneficiary or transaction,
10 accounting therein for all funds which were deposited into Bank Account #1, Bank Account #2,
11 Trust Account #1, and Bank Account #3 containing all of the information required by Section
12 2831.1 of the Regulations; and

13 (f) failed to reconcile the balance of separate beneficiary or transaction
14 records with the control record of trust funds received and disbursed at least once a month,
15 and/or failed to maintain a record of such reconciliations for each account as required by Section
16 2831.2 of the Regulations.

17 12

18 In connection with the operation and conduct of the activities and transactions
19 described in Paragraph 6, Respondents failed to disclose FCI's corporate broker license
20 identification number on FCI's website in violation of Section 2773 of the Regulations and
21 Section 10140.6 of the Code.

22 13

23 The facts alleged in the First Cause of Action are grounds for the suspension or
24 revocation of Respondents' licenses and license rights under the following sections of the Code
25 and Regulations:

26 As to Paragraphs 11(a) and 11(b), under Section 10177(d) of the Code in
27 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

1 As to Paragraph 11(c), under Section 10177(d) of the Code in conjunction with
2 Section 10145 of the Code and Section 2832 of the Regulations;

3 As to Paragraph 11(d), under Section 10177(d) of the Code in conjunction with
4 Section 2831 of the Regulations;

5 As to Paragraph 11(e), under Section 10177(d) of the Code in conjunction with
6 Section 2831.1 of the Regulations;

7 As to Paragraph 11(f), under Section 10177(d) of the Code in conjunction with
8 Section 2831.2 of the Regulations; and

9 As to Paragraph 12, under Section 10177(d) of the Code in conjunction with
10 Section 10140.6 of the Code and Section 2773 of the Regulations.

11 SECOND CAUSE OF ACTION

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13 Each and every allegation in Paragraphs 1 through 13, inclusive, is incorporated
14 by this reference as if fully set forth herein.

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16 Respondent HU failed to exercise reasonable supervision over the acts of FCI in
17 such a manner as to allow the acts and events described above to occur.

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19 The acts and/or omissions of HU as described in Paragraph 15, constitute failure
20 on the part of HU, as designated broker-officer for FCI, to exercise reasonable supervision and
21 control over the licensed activities of FCI as required by Section 10159.2 of the Code and
22 Section 2725 of the Regulations.

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24 The facts described above as to the Second Cause of Action constitute cause for
25 the suspension or revocation of the licenses and license rights of Respondent HU under Section
26 10177(g) and/or Section 10177(h) of the Code, and Section 10159.2 of the Code in conjunction
27 with Section 10177(d) of the Code.

1 COST RECOVERY

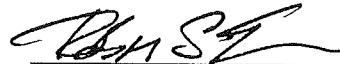
2 18

3 The acts and/or omissions of Respondents as alleged above, entitle the Bureau to
4 reimbursement of the costs of its audit pursuant to Section 10148(b) (audit costs for trust fund
5 handling violation) of the Code.

6 19

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

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

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18 ROBIN S. TANNER
19 Supervising Special Investigator

20 Dated at Oakland, California,
21 this 21st day of September, 2015

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23 DISCOVERY DEMAND

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