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**FILED**

NOV 20 2017

BUREAU OF REAL ESTATE

By H. Cruz

8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of: )

12 ROBERT HAROLD REICHERT and )  
13 RICK YU, )

14 Respondents. )

No. H-12120 SF

ACCUSATION

15 The Complainant, ROBIN S. TANNER, acting in her official capacity as a  
16 Supervising Special Investigator of the State of California, for cause of Accusation against  
17 ROBERT HAROLD REICHERT ("REICHERT") and RICK YU ("YU"), (collectively referred  
18 to herein as "Respondents"), is informed and alleges as follows:  
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21 REICHERT is presently licensed and/or has license rights under the Real Estate  
22 Law (Part 1 of Division 4 of the Business and Professions Code) ("Code") as a real estate broker.  
23 At all times mentioned herein, REICHERT operated under the dba registered with the Bureau of  
24 Real Estate ("Bureau") known as "RCB Real Estate Group."

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26 YU is presently licensed and/or has license rights under the Real Estate Law as a  
27 real estate salesperson. From November 21, 2007, to August 8, 2010, and from March 14, 2016,  
to April 26, 2016, REICHERT served as YU's sponsoring broker.

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At all times mentioned herein, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate licensees, in the State of California, within the meaning of Section 10131(a) of the Code, including the operation and conduct of a real estate resale brokerage with the public, wherein, on behalf of others, for compensation or in expectation of compensation, Respondents sold and offered to sell, bought and offered to buy, solicited prospective sellers and purchasers of, solicited and obtained listings of, and negotiated the purchase and resale of real property.

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At all times mentioned herein, REICHERT was formerly employed by the San Jose Police Department ("SJPD") as a police officer. At all times mentioned herein, YU was employed by the SJPD as a police sergeant. At all times mentioned herein, Complainant Jorge S. ("Complainant") was employed by the SJPD as a police officer.

FIRST CAUSE OF ACTION  
Fraud and Dishonest Dealing  
(As to REICHERT)

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

6

In July 2014, Complainant began talking with YU about selling Complainant's real property located at 5472 Demerest Lane, San Jose, CA 95138 ("Demerest Property"). At the time, the Demerest Property was occupied by Complainant's elderly mother.

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On or about July 30, 2014, Complainant and his wife met with YU regarding the sale of the Demerest Property. YU presented Complainant with a Residential Listing Agreement ("Listing Agreement") which Complainant completed, signed, and returned to YU. The Listing

1 Agreement did not list a sales price for the Demerest Property. YU forwarded the executed  
2 Listing Agreement to REICHERT.

3 8

4 Also on or about July 30, 2014, REICHERT signed the Listing Agreement which  
5 gave "RCB Real Estate Group" the exclusive right to sell the Demerest Property from the period  
6 between July 30, 2014, and January 29, 2015.

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8 On or about August 4, 2014, YU convinced Complainant to list the sales price for  
9 the Demerest Property at \$549,000.00.

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11 On or about November 23, 2014, real estate salesperson David S., acting on  
12 behalf of Jesus A. and Martin G. ("Buyers"), submitted an initial offer to purchase the Demerest  
13 Property for \$510,000.00. Buyer's initial offer included a standard loan contingency removal  
14 clause stating that within seventeen (17) days after acceptance, buyer shall remove the loan  
15 contingencies, or cancel the agreement.

16 12

17 On or about November 24, 2014, REICHERT, on behalf of Complainant,  
18 submitted a counter-offer to David S. offering to sell the Demerest Property for \$515,000, with  
19 all other terms and conditions to remain the same. On November 25, 2014, Buyers accepted the  
20 counter-offer. The initial offer, counter-offer, and acceptance of the counteroffer is referred to  
21 collectively herein as the "Demerest Contract." The standard loan contingency removal clause  
22 on the Demerest Contract was set to expire on December 12, 2014.

23 13

24 Throughout the process of finalizing the Demerest Contract, described above in  
25 Paragraph 12, YU served as Complainant's main point of contact. YU also assisted Complainant  
26 with the negotiation of the terms of the counter-offer, and the completion of the Demerest  
27 Contract documents.

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2           Shortly after entering into the Demerest Contract, Complainant began to have  
3 second thoughts about selling the Demerest Property. On or about December 10, 2014,  
4 Complainant requested from REICHERT via email, a schedule of the fees that Complainant  
5 would be responsible for paying should the sale proceed to the close of escrow. Complainant's  
6 email prompted a telephone conversation between Complainant and REICHERT on December  
7 10, 2014, in which Complainant asked REICHERT to contact David S. to see if Buyers would be  
8 willing to cancel the sale. REICHERT replied that if Complainant cancelled the Demerest  
9 Property sale, Complainant would be required to pay sales commissions, or face a lawsuit in  
10 Superior Court. Also on December 10, 2014, REICHERT sent Complainant an email  
11 encouraging him to "reconsider" his thoughts of cancelling the Demerest Property sale and  
12 informing him again that the buyers may sue if Complainant decided to cancel. REICHERT's  
13 December 10, 2014, email to Complainant included a schedule of fees Complainant could expect  
14 to owe if he cancelled. The schedule of fees included a \$10,300.00 commission to RCB Real  
15 Estate Group.

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17           On or about December 12, 2014, REICHERT sent Complainant an email asking  
18 him to sign an addendum to the Demerest Contract which would have extended the transaction  
19 close date. In the same email, REICHERT informed Complainant that if Complainant chose to  
20 cancel the Demerest Property sale, REICHERT would alert the Buyers and their realtor so they  
21 could prepare for legal proceedings.

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23           Between December 12, 2014, and December 15, 2014, REICHERT sent  
24 Complainant seven (7) emails about the Demerest Property transaction. At no time between  
25 December 12, 2014, and December 15, 2014, did REICHERT inform Complainant that the  
26 contingency period had expired, and that Complainant had the legal right to pursue the  
27 cancellation of the Demerest Contract by issuing Buyers a Notice to Perform.

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2 On or about December 15, 2014, Complainant sent an email to REICHERT telling  
3 him to “[g]o ahead with the sale” because Complainant did not wish to be sued by REICHERT or  
4 the other realtor. In response, REICHERT sent Complainant an addendum to the Purchase  
5 Agreement extending the transaction close date to December 30, 2014. Again, REICHERT did  
6 not inform Complainant that the contingency period had expired and that Complainant had the  
7 legal right to pursue the cancellation of the Demerest Contract by issuing Buyers a Notice to  
8 Perform. On December 16, 2014, Complainant signed and returned to REICHERT an addendum  
9 to the Purchase Agreement extending the transaction close date to December 30, 2014.

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11 On or about December 26, 2014, Complainant informed REICHERT that he  
12 spoke with Tina H. from the Santa Clara County Association of Realtors (“SCCAOR”)  
13 regarding the Demerest Property sale. On the same date, Complainant also asked REICHERT  
14 to contact David S. to see if Buyers would be willing to cancel the sale and to send him a list of  
15 all costs he would be responsible for paying if the Demerest Property sale was cancelled.  
16 REICHERT sent Complainant a response on December 26, 2014, stating “commissions may be  
17 owed” including \$10,300 for REICHERT’s commission if Complainant decides to terminate the  
18 Demerest Property sale.

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20 Between December 26, 2014 and December 27, 2014, REICHERT sent  
21 Complainant eight (8) emails regarding the cancellation of the Demerest Property sale. On  
22 December 27, 2014, REICHERT sent Complainant an email stating he spoke to an attorney and  
23 that REICHERT and YU no longer desired to complete the transaction. The email further  
24 stated:  
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1 Club” and another portion of their commission would be forwarded to an attorney representing  
2 REICHERT and YU.

3 22

4 On or about January 22, 2015, escrow closed on the Demerest Property  
5 transaction. On January 23, 2015, the Old Republic Title Company wired \$10,300.00 to the  
6 RCB Real Estate Group bank account for commission regarding the Demerest Property sale.

7 23

8 As set out above in Paragraphs 5 through 22, REICHERT’S representations,  
9 actions and/or omissions were substantially fraudulent, misleading, dishonest and deceitful, and  
10 were known by REICHERT to be substantially fraudulent, misleading, dishonest and deceitful  
11 during the transaction of the Demerest Property.

12 24

13 The acts and/or omissions of REICHERT, as alleged above in Paragraphs 5  
14 through 23, are grounds for the revocation or suspension of REICHERT’s real estate licenses or  
15 license rights under Sections 10176(a) (misrepresentation), 10176(i) (fraud or dishonest dealing),  
16 10177(j) (fraud or dishonest dealing) and/or 10177(g) (negligence/incompetence) of the Code.

17 SECOND CAUSE OF ACTION

18 Unlicensed Activity/Unlawful Compensation  
19 (As to YU and REICHERT)

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21 Each and every allegation set forth above in Paragraphs 1 through 24, inclusive, is  
22 incorporated by this reference as if fully set forth herein.

23 26

24 YU received his real estate salesperson license in October 2007. As stated above  
25 in Paragraph 6, from November 21, 2007, to August 8, 2010, REICHERT served as YU’s  
26 sponsoring broker, and the two licensees partnered together during this period to assist others  
27 with the purchase and sale of real estate. In or about August 2010, SCCAOR audited

1 REICHERT and determined monthly dues for YU's SCCAOR membership were not being paid.  
2 Because neither REICHERT nor YU wanted to pay the SCCAOR dues for YU, REICHERT  
3 elected not to serve as YU supervising broker effective August 9, 2010.

4 27

5 Although REICHERT was not YU's supervising broker after August 9, 2010,  
6 YU continued to work with REICHERT to assist clients with the purchase and sale of real  
7 estate. Beginning on or about August 9, 2010, and continuing thereafter, REICHERT and YU  
8 entered into a partnership to provide real estate services to current and former employees of the  
9 SJPD. Specifically, YU solicited SJPD clients, and convinced them to hire REICHERT to serve  
10 as their real estate broker in purchase and sale transactions. YU also provided SJPD clients with  
11 advice, assistance, and support during the transaction process. Finally, YU assisted SJPD  
12 clients in the negotiation of the terms of the purchase and sale of real estate. As compensation  
13 for providing the aforementioned services, REICHERT paid YU a commission at the close of  
14 escrow.

15 28

16 Between December 2010 and May 2015, YU performed the services described  
17 above in Paragraph 27, in the following eleven (11) transactions:

18 Address	19 Rep. Seller or Buyer	20 YU's Commission Amt.	21 Escrow Close Date
22 9412 Rodeo Drive, Gilroy, CA 95020	23 Seller	24 \$9,000.00	25 May 7, 2015
26 5472 Demerest Lane, San Jose, CA 95138	27 Seller	\$4,300.00	January 22, 2015
175 Berkshire Drive, Morgan Hill, CA 95037	Buyer	\$8,360.00	August 26, 2014
1246 Valbusa Drive, Gilroy, CA 95020	Seller	\$5,557.50	August 26, 2014
2269 Coria Circle, San Jose, CA 95131	Unknown	\$8,250.00	August 18, 2014
1565 Kelly Park Cir. Morgan Hill, CA 95037	Unknown	\$5,150.00	August 1, 2014
809 Auserais Ave. #114, San Jose, CA 95126	Unknown	\$4,069.00	July 3, 2014



1	7661 Church St. #A, Gilroy, CA 95020	Unknown	\$4,100.00	June 17, 2014
2	1011 Wilsham Dr., San Jose, CA 95132	Unknown	\$8,000.00	December 21, 2012
3	16967 Tulip Tree Way, Lathrop, CA 95330	Unknown	\$2,500.00	July 29, 2011
4	9283 Solana Dr., Gilroy, CA 95020	Unknown	\$3,540.00	December 23, 2010
5		<b>Total</b>	\$62,826.50	

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The acts and/or omissions of REICHERT and YU, as described above in Paragraphs 25 through 28, constitute violations of Section 10137 (unlawful employment), and are grounds for the suspension or revocation of all licenses and license rights of REICHERT and YU under Sections 10177(d) (willful disregard for the law) and/or 10177(g) (negligence or incompetence) of the Code. The acts of YU, as described above in Paragraphs 25 through 28, constitute a violation of Section 10131(a) (broker license required), and are grounds for the suspension or revocation of all licenses and license rights of YU under Sections 10177(d) and/or 10177(g) of the Code.

**THIRD CAUSE OF ACTION**  
**FRAUD AND DISHONEST DEALING**  
**(As to YU and REICHERT)**

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Each and every allegation set forth above in Paragraphs 1 through 29, inclusive, is incorporated by this reference as if fully set forth herein.

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As stated above in Paragraph 26, on August 9, 2010, REICHERT ceased serving as the supervising broker for YU so that REICHERT and YU would not be required to pay the monthly SCCAOR dues for YU. Yet, as described above in Paragraphs 25 through 29, YU continued to solicit SJPD clients and/or negotiate real estate contract on their behalf for compensation from August 9, 2010, through May 7, 2015. At all relevant times, YU knew that REICHERT was not YU's supervising broker, and REICHERT knew that he was not YU's

1 supervising broker. Nevertheless, REICHERT continued to pay YU a commission for the  
2 services YU provided to their SJPd clients. At no time between August 9, 2010, and May 7,  
3 2015, did REICHERT or YU inform SCCAOR that YU solicited SJPd clients and/or negotiate  
4 real estate contracts on their behalf for compensation by REICHERT.

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6 The representations, actions and/or omissions of REICHERT and YU, as  
7 described above in Paragraphs 26 through 31, were substantially fraudulent, misleading,  
8 dishonest and deceitful, and were known by REICHERT and YU to be substantially fraudulent,  
9 misleading, dishonest and deceitful.

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11 The acts and/or omissions of REICHERT and YU, as alleged above in Paragraphs  
12 26 through 32, are grounds for the revocation or suspension of the real estate licenses or license  
13 rights of REICHERT and YU under sections 10176(a), 10176(i), 10177(j), and/or 10177(g) of  
14 the Code.

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

20 WHEREFORE, Complainant prays that a hearing be conducted on the  
21 allegations of this Accusation and that upon proof thereof, a decision be rendered revoking all  
22 licenses and license rights of all Respondents named herein under the Real Estate Law (Part 1  
23 of Division 4 of the Business and Professions Code), for the cost of investigation and  
24 enforcement as permitted by law, and for such other and further relief as may be proper under  
25 other provisions of law.

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ROBIN S. TANNER  
Supervising Special Investigator

27 Dated at Oakland, California,

1 this 16<sup>th</sup> day of November, 2017.

2 DISCOVERY DEMAND

3 Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the  
4 Department hereby makes demand for discovery pursuant to the guidelines set forth in the  
5 *Administrative Procedure Act*. Failure to provide Discovery to the Department may result in the  
6 exclusion of witnesses and documents at the hearing or other sanctions that the Office of  
7 Administrative Hearings deems appropriate.

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