

1 ADRIANA Z. BADILAS, Counsel (SBN 283331)

2 Bureau of Real Estate

3 P. O. Box 137007

4 Sacramento, CA 95813-7007

5 Fax: (916) 263-3767

6 Telephone: (916) 263-8682 (Direct)

7 -or- (916) 263-8672

FILED

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DEPARTMENT OF REAL ESTATE

By K. Kropp

8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of:)

12 DE WOLF REALTY COMPANY and)
13 GEORGE MARTIN GREEN,)

14 Respondents.)

No. H-12178 SF

ACCUSATION

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16 The Complainant, ROBIN S. TANNER, in her official capacity as a Supervising
17 Special Investigator of the State of California, Bureau of Real Estate ("Bureau"), brings this
18 Accusation against DE WOLF REALTY COMPANY ("DE WOLF") and GEORGE MARTIN
19 GREEN ("GREEN") (collectively "Respondents"), and is informed and alleges as follows:

20 1

21 DE WOLF is presently licensed by the Bureau and/or has license rights under the
22 Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("Code"), as
23 a corporate real estate broker, CREB No. 00084876.

24 2

25 GREEN is presently licensed by the Bureau and/or has license rights under the Real
26 Estate Law, Part 1 of Division 4 of the Code, as a real estate broker, REB No. 00431037.

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2 At all relevant times herein, GREEN is and was the Designated Officer of DE
3 WOLF.

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5 On or about November 7, 2016, the Bureau received a consumer enforcement online
6 complaint against Respondents, wherein it was alleged that Respondents permitted an unlicensed
7 individual to conduct property management activities.

8 5

9 During the audit period, William A. Talmage ("Talmage") and Aaron P. Sinelnikoff
10 ("Sinelnikoff"), President and Vice President, respectively, of DE WOLF engaged in activities
11 requiring a real estate license, without having a valid real estate license, in expectation of
12 compensation.

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14 During the audit period, DE WOLF maintained, owned, and controlled the website
15 www.dewolfssf.com.

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17 At all relevant times herein, Respondents engaged in the business of, acted in the
18 capacity of, advertised or assumed to act as real estate licensees within the State of California within
19 the meaning of Section 10131(b) of the Code including the operation and conduct of a property
20 management business with the public, wherein, on behalf of others, for compensation or in
21 expectation of compensation, Respondents leased or rented or offered to lease or rent, and solicited
22 for prospective tenants of real property or improvements thereon, and collected rents from real
23 property or improvements thereon.

24 8

25 Beginning on or about November 16, 2016, and continuing intermittently through
26 December 8, 2016, an audit was conducted of the real estate business activities of DE WOLF,
27 located at 4330 California St., San Francisco, CA 94118. The Bureau's auditor examined the

business records of DE WOLF for the period of July 1, 2015, through September 30, 2016, ("audit period").

COUNT ONE

(Audit Violations as to Both Respondents)

9

Each and every allegation in paragraphs 1 through 8, inclusive, above, is incorporated by reference as if fully set forth herein.

10

While engaging in real estate activities as described in Paragraph 7, above, and within the audit period, Respondents accepted or received funds in trust ("trust funds") and deposited or caused the trust funds to be deposited into the following six bank accounts:

Bank Account #1

Bank Name: First Republic Bank
101 Pine St., San Francisco, CA 94111
Account Name: DeWolf Realty Co. Inc.
Main DeWolf FTrust Account
Account No.: Last 4 Digits: 5679
Signatories: William A. Talmage, expired RES
Aaron P. Sinelnikoff, expired RES
Marie C. Wayne, unlicensed
William J. Fuson, expired RES
Landa Z. Robertson, expired RES
Angelique Mondares, unlicensed
Description: Bank Account #1 was the largest multiple beneficiary trust account used for property management activities. Deposits included rent receipts and security deposits. Disbursements included expenditures related to the properties managed and owner distributions.

Bank Account #2

Bank Name: First Republic Bank
101 Pine St., San Francisco, CA 94111
Account Name: DeWolf Realty Co. Inc.
Trust #2
Account No.: Last 4 Digits: 3963
Signatories: William A. Talmage, expired RES
Aaron P. Sinelnikoff, expired RES
Marie C. Wayne, unlicensed
William J. Fuson, expired RES

1 Landa Z. Robertson, expired RES
2 Description: Angelique Mondares, unlicensed
3 Bank Account #2 was a multiple beneficiary trust account that
4 was opened during the audit period. Most of the trust funds
5 that were handled using Bank Account #2 were previously
6 handled using Bank Account #1. Deposits included rent
7 receipts and security deposits. Disbursements included
8 expenditures related to property management and owner
9 distributions.

10 Bank Account #3

11 Bank Name: First Republic Bank
12 101 Pine St., San Francisco, CA 94111
13 Account Name: DeWolf Realty Co. Inc.
14 Trust #3

15 Account No.: Last 4 Digits: 3971

16 Signatories: William A. Talmage, expired RES
17 Aaron P. Sinelnikoff, expired RES
18 Marie C. Wayne, unlicensed
19 William J. Fuson, expired RES
20 Landa Z. Robertson, expired RES
21 Angelique Mondares, unlicensed

22 Description: Bank Account #3 was a multiple beneficiary trust account that
23 was opened during the audit period. Most of the trust funds
24 that were handled using Bank Account #3 were previously
25 handled using Bank Account #1. Deposits included rent
26 receipts and security deposits. Disbursements included
27 expenditures related to property management and owner
distributions.

Bank Account #4

Bank Name: First Republic Bank
101 Pine St., San Francisco, CA 94111
Account Name: DeWolf Realty Co. Inc.

Trustee for 2364 Pacific Avenue

Account No.: Last 4 Digits: 6214

Signatories: William A. Talmage, expired RES
Aaron P. Sinelnikoff, expired RES
Marie C. Wayne, unlicensed
William J. Fuson, expired RES
Landa Z. Robertson, expired RES

Angelique Mondares, unlicensed
Description: Bank Account #4 was a single beneficiary trust account used
to manage 2364 Pacific Avenue. Deposits included rent
receipts and security deposits. Disbursements included
expenditures related to property management and owner
distributions.

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Bank Account #6

(a) Caused or permitted the balance of funds in Bank Account #1 to be reduced to an amount which, as of September 30, 2016, was approximately \$48,645.76 less than the

1 aggregate liability of Bank Account #1 to all owners of such funds, without the prior written
2 consent of each and every owner of such funds, in violation of Section 10145 of the Code, and
3 Section 2832.1, Title 10, California Code of Regulations ("the Regulations");

4 (b) Caused or permitted the balance of funds in Bank Account #2 to
5 be reduced to an amount which, as of September 30, 2016, was approximately \$12,163.08 less than
6 the aggregate liability of Bank Account #2 to all owners of such funds, without the prior written
7 consent of each and every owner of such funds, in violation of Section 10145 of the Code and
8 Section 2832.1 of the Regulations;

9 (c) Caused or permitted the commingling of broker trust funds, in the amount of
10 \$96,234.80, with trust funds in Bank Account #5, in violation of Sections 10145 and 10176(e) of
11 the Code, and Section 2832.1 of the Regulations;

12 (d) Talmage engaged in activities requiring a real estate license, including, but
13 not limited to, entering into at least six lease agreements in violation of Section 10130 of the Code;

14 (e) Sinelnikoff engaged in activities requiring a real estate license, including, but
15 not limited to, entering into at least three lease agreements and two management agreements, in
16 violation of Section 10130 of the Code;

17 (f) Failed to properly designated Bank Account #1, Bank Account #2, Bank
18 Account #3, and Bank Account #4 as trust accounts in the name of the licensee as trustee, in
19 violation of Section 10145 of the Code, and Section 2832 of the Regulations;

20 (g) Failed to maintain and/or keep accurate and complete control records for, at
21 least, five disbursements made into Bank Account #1, in violation of Section 10145 of the Code,
22 and Section 2831 of the Regulations;

23 (h) Failed to maintain and/or keep accurate and complete separate records for
24 Bank Account #1 and Bank Account #5, in violation of Section 10145 of the Code, and Section
25 2831.1 of the Regulations;

26 (i) Allowed six unlicensed signatories authority to withdraw trust funds from
27 Bank Account #1, Bank Account #2, Bank Account #3, and Bank Account #4 without sufficient

1 fidelity bond coverage, in violation of Section 10145 of the Code, and Section 2834 of the
2 Regulations;

3 (j) Failed to disclose the eight-digit Bureau real estate license number on the
4 website www.dewolfsf.com, in violation of Section 10140.6 of the Code, and Section 2773 of the
5 Regulations;

6 (k) Compensated, directly or indirectly, two unlicensed employees, Talmage and
7 Sinelnikoff, for performing activities for which a real estate license is required, in violation of
8 Section 10137 of the Code; and

9 (l) GREEN, as designated officer, failed to exercise reasonable supervision and
10 control over the real estate activities of DE WOLF, in violation of Section 10159.2 of the Code and
11 Section 2725 of the Regulations.

12 **GROUND FOR DISCIPLINE**
13 **(As to both Respondents)**

14 12

15 The acts and/or omissions of Respondents, as alleged above in Paragraph 11,
16 constitute grounds for the suspension or revocation of all licenses and license rights of Respondents
17 pursuant to the following provisions of the Code and Regulations:

- 18 a. As to Paragraph 11(a), under Sections 10145, 10177(d), and/or 10177(g) of the
19 Code, in conjunction with Section 2832.1 of the Regulations;
20 b. As to Paragraph 11(b), under Sections 10145, 10177(d) and/or 10177(g) of the
21 Code, in conjunction Section 2832.1 of the Regulations;
22 c. As to Paragraph 11(c), under Sections 10145, 10176(e), 10176(i), 10177(d),
23 10177(g), and/or 10177(j) of the Code, in conjunction with Section 2832.1 of
24 the Regulations;
25 d. As to Paragraph 11(d), under Sections 10130, 10177(d), and/or 10177(g) of the
26 Code;

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- 1 e. As to Paragraph 11(e), under Sections 10130, 10177(d), and/or 10177(g) of the
2 Code;
3 f. As to Paragraph 11(f), under Section 10145, 10177(d), and/or 10177(g) of the
4 Code, in conjunction with Section 2832 of the Regulations;
5 g. As to Paragraph 11(g), under Sections 10145, 10177(d), and/or 10177(g) of the
6 Code, in conjunction with Section 2831 of the Regulations;
7 h. As to Paragraph 11(h), under Sections 10145, 10177(d), and/or 10177(g) of the
8 Code, in conjunction with Section 2831.1 of the Regulations;
9 i. As to Paragraph 11(i), under Sections 10145, 10177(d), and/or 10177(g) of the
10 Code, in conjunction Section 2834 of the Regulations;
11 j. As to Paragraph 11(j), under Sections 10140.6, 10177(d), and/or 10177(g) of the
12 Code, in conjunction with Section 2773 of the Regulations; and
13 k. As to Paragraph 11(k), under Sections 10130, 10137, 10177(d), and/or 10177(g)
14 of the Code.

15 **COUNT TWO**

(Failure to Supervise as to GREEN)

16 13

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

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20 GREEN, as the designated officer of DE WOLF, was required to exercise reasonable
21 supervision and control over the activities of DE WOLF and its employees.

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23 GREEN failed to exercise reasonable supervision over the acts and/or omissions of
24 DE WOLF and its employees, in such a manner as to allow the acts and/or omissions described
25 above in Paragraph 10 to occur, which constitutes additional cause for the suspension or revocation
26 of the license(s) and license rights of GREEN under Sections 10159.2, 10177(d) and/or 10177(g),
27 10177(h) of the Code, in conjunction with Section 2725 of the Regulations.

1 **COST RECOVERY**

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

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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 allegations of
12 this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action
13 against all licenses and license rights of Respondent under the Code, for the cost of investigation
14 and enforcement as permitted by law, for the cost of the audit, and for such other and further relief
15 as may be proper under other provisions of law.

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18 ROBIN S. TANNER
19 Supervising Special Investigator

20 Dated at Oakland, California,
21 this 5th day of July, 2018.

22 **DISCOVERY DEMAND**

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