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FILED

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BUREAU OF REAL ESTATE

By H. Sigz

8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

12 CROSKEY REAL ESTATE, INC., and)
13 WOLFGANG ALFRED CROSKEY,)

14 Respondents.)

CalBre No. H-12195 SF

ACCUSATION

15 The Complainant, ROBIN S. TANNER, a Supervising Special Investigator of the
16 State of California, for cause of Accusation against CROSKEY REAL ESTATE, INC., and
17 WOLFGANG ALFRED CROSKEY (collectively "Respondents"), is informed and alleges as
18 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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2 At all times mentioned, Respondent CROSKEY REAL ESTATE, INC. (CREI)
3 was and is licensed by the State of California Bureau of Real Estate (Bureau) as a real estate
4 broker corporation.

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6 At all times mentioned, Respondent WOLFGANG ALFRED CROSKEY
7 (CROSKEY) was and is licensed by the Bureau individually as a real estate broker, and as the
8 designated broker officer of CREI. As said designated broker officer, CROSKEY was
9 responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of the
10 officers, agents, real estate licensees, and employees of CREI for which a license is required.

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

17 6

18 At all times mentioned, Respondents engaged in the business of, acted in the
19 capacity of, advertised, or assumed to act as real estate brokers in the State of California, within
20 the meaning of Section 10131(b) of the Code in the operation and conduct of a property
21 management business with the public wherein, on behalf of others, for compensation or in
22 expectation of compensation, Respondents leased or rented and offered to lease or rent, and
23 placed for rent, and solicited listings of places for rent, and solicited for prospective tenants of
24 real property or improvements thereon, and collected rents from real property or improvements
25 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 11, 2017, and continuing intermittently through May 5, 2017,
7 an audit was conducted of the records of CREI. The auditor herein examined the records for the
8 period of April 1, 2016, through March 31, 2017.

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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.

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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:

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TRUST ACCOUNT # 1	
21 Bank Name and Location:	Mechanics Bank P.O. Box 5610 Hercules, CA 94547
22 Account No.:	XXXX9871
23 Entitled:	Croskey Real Estate Inc. dba Wolfgang Property Management Professional Trust Fund

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BANK ACCOUNT # 1	
Bank Name and Location:	Mechanics Bank P.O. Box 5610 Hercules, CA 94547
Account No.:	XXXX9839
Entitled:	Croskey Real Estate Inc. dba Wolfgang Property Management
BANK ACCOUNT # 2	
Bank Name and Location:	Bank of the West P.O. Box 2830 Omaha, NE 68103
Account No.:	XXXXXX9183
Entitled:	Croskey Real Estate Inc.

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

(a) caused, suffered, or permitted the combined balance of funds in Trust Account #1 and Bank Account #2 to be reduced to an amount which, as of February 28, 2017, was approximately \$186,576.29 less and as of March 31, 2017, was approximately \$5,537.01 less than the combined aggregate liability of Trust Account #1 and Bank Account #2 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) converted approximately \$3,000 of trust funds to Respondents own use and benefit or to purposes not authorized by the rightful owners of said funds;

(c) failed to maintain an accurate columnar record in chronological sequence of all trust funds received and disbursed from Trust Account #1, Bank Account #1, and Bank Account #2 containing all required information, in violation of Section 2831 of the Regulations;

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

1 (e) failed to reconcile the balance of separate beneficiary or transaction
2 records with the control record of trust funds received and disbursed at least once a month,
3 and/or failed to maintain a record of such reconciliations for Trust Account #1, Bank Account
4 #1, and Bank Account #2, as required by Section 2831.2 of the Regulations; and

5 (f) failed to deposit trust funds into one or more trust funds accounts in the
6 name of CREI as trustee at a bank or other financial institution, in conformance with Section
7 10145 of the Code and Section 2832 of the Regulations.

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9 The facts alleged in the First Cause of Action are grounds for the suspension or
10 revocation of Respondents' licenses and license rights under the following Sections of the Code
11 and Regulations:

12 As to Paragraph 11(a), under Section 10177(d) and/or 10177(g) of the Code in
13 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

14 As to Paragraph 11(b), under Section 10176(i) of the Code;

15 As to Paragraph 11(c), under Sections 10177(d) and/or 10177(g) of the Code in
16 conjunction with Section 2831 of the Regulations;

17 As to Paragraph 11(d), under Sections 10177(d) and/or 10177(g) of the Code in
18 conjunction with Section 10145 of the Code and Section 2831.1 of the Regulations; and

19 As to Paragraph 11(e), under Sections 10177(d) and/or 10177(g) of the Code in
20 conjunction with Section 10145 of the Code and Section 2831.2 of the Regulations; and

21 As to Paragraph 11(f), under Sections 10177(d) and/or 10177(g) of the Code in
22 conjunction with Section 10145 of the Code and Section 2832 of the Regulations.

23 SECOND CAUSE OF ACTION

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

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Respondent CROSKEY failed to exercise reasonable supervision over the acts of CREI in such a manner as to allow the acts and events described above to occur.

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The acts and/or omissions of CROSKEY as described in Paragraph 14, constitute failure on the part of CROSKEY, as designated broker-officer for CREI, to exercise reasonable supervision and control over the licensed activities of CREI as required by Section 10159.2 of the Code and Section 2725 of the Regulations.

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

COST RECOVERY

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

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

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing discipline on all licenses and license rights of Respondents under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the cost of the investigation and enforcement of this case as

1 permitted by law, for the cost of the Bureau's audit as permitted by law, and for such other and
2 further relief as may be proper under the provisions of law.

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ROBIN S. TANNER
Supervising Special Investigator

5 Dated at Oakland, California,
6 this 1st day of February, 2018
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8 DISCOVERY DEMAND

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