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FILED

JUL 31 2019

DEPARTMENT OF REAL ESTATE
By *[Signature]*

8
9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)
13 BARCELON ASSOCIATES, INC,)
14 TED MERLE BARCELON, JR. and)
15 STEPHANIE GRECOUSIS,)
16 Respondents.)

No. H-12401 SF
ACCUSATION

17 The Complainant, ROBIN S. TANNER, a Supervising Special Investigator of the
18 State of California, for Accusation against Respondents BARCELON ASSOCIATES, INC.
19 (BA), TED MERLE BARCELON, JR. (BARCELON) and STEPHANIE GRECOUSIS
20 (GRECOUSIS), collectively, Respondents, is informed and alleges as follows:

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22 The Complainant makes this Accusation against Respondents in her official
23 capacity.

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25 At all times mentioned herein, BA has, and is presently licensed and/or has
26 license rights by the Department of Real Estate (Department), herein under the California
27 Business and Professions Code (Code) as a corporate real estate broker.

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At all times herein mentioned, BARCELON has been licensed by the Department as a real estate broker and was the Designated Officer of BA.

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From and since August 17, 2017, GRECOUSIS has been licensed by the Department as a real estate salesperson.

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At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers within the State of California within the meaning of Section 10131(b) of the Code, including 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 or offered to lease or rent, or placed for rent, or solicited listings of places for rent, or solicited for prospective tenants, or negotiated the sale, purchase or exchange of leases on real property or on a business opportunity, or collected rents from tenants.

FIRST CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 5, above, and incorporates them herein by reference.

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Beginning on March 29, 2019, and continuing intermittently through April 3, 2019, at Respondent's main office located at 2525 Cleveland Ave., Ste. D, Santa Rosa, California and at the Oakland District Office of the Department, an audit was conducted of BA's accounting and other records, where the auditor examined records for the period of January 1, 2017, through February 28, 2019 (the audit period).

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While acting as a real estate broker as described in Paragraph 5, above, and within the audit period, Respondents accepted or received funds in trust (trust funds) from or on behalf of property owners, lessees, and others in connection with property management activities, deposited or caused to be deposited those funds into bank accounts maintained by BA, as described below:

TRUST ACCOUNT #1	
Account No.:	XXXXXX3112
Entitled:	T/A1
Westamerica Bank	15342 Lakeshore Dr., Clearlake, California

TRUST ACCOUNT #2	
Account No.:	XXXXXXXXXX5847
Entitled:	T/A2
Wells Fargo Bank	P.O. Box 6995, Portland, Oregon

and thereafter from time to time made disbursement of said trust funds.

In the course of the activities described in Paragraph 5, in connection with the collection and disbursement of trust funds, it was determined that:

- (a) An accountability was performed on Trust Account #1, and as of February 28, 2019, a shortage of \$4,577.35 was revealed, in violation of Section 10145 of the Code;
- (b) An accountability was performed on Trust Account #2, and as of February 22, 2019, a shortage of \$4,235.00 was revealed, in violation of Section 10145 of the Code;

- 1 (c) Respondents failed to obtain written permission from owners of trust
2 funds in Trust Account #1 and Trust Account #2 to allow the balance to
3 drop below accountability, in violation of Section 2832.1 of the
4 Regulations; and
5 (d) Respondents failed to maintain property files as required by Section
6 10148 of the Code.

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8 The acts and/or omissions described above constitute violations of Section
9 2832.1 (balance below accountability) of the Regulations and of Section 10145 (trust fund
10 handling) of the Code and are grounds for discipline under Sections 10177(d) (willful disregard
11 of real estate laws) and 10177(g) (negligence/incompetence licensee) of the Code.

12 SECOND CAUSE OF ACTION

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14 Complainant refers to Paragraphs 1 through 10, above, and incorporates them
15 herein by reference.

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17 GRECOUSIS' real estate salesperson license expired on June 29, 2010, and was
18 not renewed until August 17, 2017.

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20 Before and through the time period within which GRECOUSIS was not licensed,
21 she continued to conduct real estate activities for and through BA and BARCELON's office.

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23 The acts or omissions of Respondents described above constitute violations of
24 Sections 10130 (license required), 10176(a) (substantial misrepresentation), 10176(c) (continuing
25 course of misrepresentation), and 10176(i) of the Code and are grounds for discipline under
26 Sections 10176(a), 10176(c) and 10176(i) of the Code.

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1 THIRD CAUSE OF ACTION

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3 Complainant refers to Paragraphs 1 through 14, above, and incorporates the same,
4 herein.

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6 Mike E. (Mike E.) agreed to have Respondents perform property management
7 activities on that certain real property commonly known as: 15429 Stanyan, Santa Rosa,
8 California; 3095-14th Street, Santa Rosa, California; 3773 Oakland, Santa Rosa, California; and
9 13448 Bush, Santa Rosa, California.

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11 The property management agreement between Respondents and Mike E. provided
12 that any repairs that cost over \$200 required written approval from owner Mike E. On two
13 occasions when Respondents retained independent contractors to perform work on Mike E.'s
14 rental property, Respondents authorized work billed at \$2,000.00 and 2,250.00 without getting
15 prior written approval from Mike E.

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17 The acts or omissions of Respondents described above constitute violations of
18 Section 10137 (compensating not licensed person) of the Code and are grounds for discipline
19 under Sections 10137, 10177(d), and 10177(g) of the Code.

20 FOURTH CAUSE OF ACTION

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23 Complainant refers to Paragraphs 1 through 18, above, and incorporates them
24 herein by reference.

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26 BARCELON was responsible, as the supervising designated broker/officer for
27 BA, for the supervision and control of the activities conducted on behalf of BA's business by its

1 employees to ensure its compliance with the Real Estate Law and Regulations. BARCELON
2 failed to exercise reasonable supervision and control over the property management activities of
3 BA. In particular, BARCELON permitted, ratified, and/or caused the conduct described above to
4 occur, and failed to take reasonable steps, including but not limited to, the handling of trust
5 funds, supervision of employees, and the implementation of policies, rules, and systems to ensure
6 the compliance of the business with the Real Estate Law and the Regulations.

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8 The above acts and/or omissions of BARCELON violate Section 2725 (broker
9 supervision) of the Regulations and Section 10159.2 (responsibility/designated officer) of the
10 Code, and constitute grounds for disciplinary action under the provisions of Sections 10177(d),
11 10177(g), and 10177(h) (broker supervision) of the Code.

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13 Audit Costs

14 The acts and/or omissions of BARCELON as alleged above, entitle the
15 Department to reimbursement of the costs of its audits pursuant to Section 10148(b) (audit costs
16 for trust fund handling violations) of the Code.

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18 Costs of Investigation and Enforcement

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

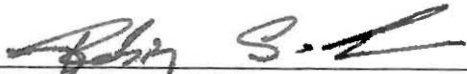
24 WHEREFORE, Complainant prays that a hearing be conducted on the
25 allegations of this Accusation and that upon proof thereof a decision be rendered imposing

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1 disciplinary action against all licenses and license rights of Respondents under the Code, for the
2 reasonable costs of investigation and prosecution of this case, and for such other and further
3 relief as may be proper under other provisions of law.

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ROBIN S. TANNER
Supervising Special Investigator

Dated at Oakland, California,
this 29th day of July, 2019.

DISCOVERY DEMAND

The Department of Real Estate hereby requests discovery pursuant to Section 11507.6 of the California Government Code. Failure to provide discovery to the Department may result in the exclusion of witnesses and/or documents at the hearing, and other sanctions as the Administrative Law Judge deems appropriate.