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**FILED**  
NOV 30 2007

DEPARTMENT OF REAL ESTATE

*K. H. Hinderholt*

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of )	NO. H-27994 LA
)	
JAMES ARTHUR WEBB,	)
)	
Respondent.	)
)	

ORDER DENYING REINSTATEMENT OF LICENSE

On May 5, 1999, a Decision was rendered herein revoking Respondent's real estate broker license.

On or about August 9, 2005, Respondent petitioned for reinstatement of Respondent's real estate broker license and the Attorney General of the State of California has been given notice of the filing of the petition.

I have considered Respondent's petition and the evidence and arguments in support thereof. Respondent has failed to demonstrate to my satisfaction that Respondent has undergone sufficient rehabilitation to warrant the reinstatement of Respondent's real estate broker license, in that:

I

In the Decision which revoked Respondent's real estate license, there were Determination of Issues made that there was cause to revoke Respondent's real estate license for violations of the Real Estate Law.

The underlying facts were that in 1998, the Department of Real Estate ("Department") conducted an audit of Respondent's books and records for the period of time covering June 1, 1996 through July 31, 1998. Said audit revealed numerous violations of the Real Estate Law including a trust account shortage of \$92,017.34, conversion of trust funds and commingling of trust funds with Respondent's general account and personal account.

II

The burden of proving rehabilitation rests with the petitioner (Feinstein v. State Bar (1952) 39 Cal. 2d 541). A petitioner is required to show greater proof of honesty and integrity than an applicant for first time licensure. The proof must be sufficient to overcome the prior adverse judgment on the applicant's character (Tardiff v. State Bar (1980) 27 Cal. 3d 395).

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1           The Department has developed criteria in Regulation  
2 2911, to assist in evaluating the rehabilitation of an applicant  
3 for reinstatement of a license. Among the criteria relevant in  
4 this proceeding are:

5           2911 (a) - A longer period of time is required to  
6 assess Respondent's rehabilitation, given Respondent's history  
7 of substantially related acts and conduct.

8           2911 (k) - Respondent has not shown that he has  
9 corrected business practices resulting in injury to others or  
10 with the potential to cause such injury.

11           Given the fact that Respondent has not established  
12 that he has complied with Regulations 2911(a) and 2911(k),  
13 I am not satisfied that Respondent is sufficiently  
14 rehabilitated to receive a real estate broker license.  
15

16           NOW, THEREFORE, IT IS ORDERED that Respondent's  
17 petition for reinstatement of Respondent's real estate broker  
18 license is denied.

19           I am satisfied, however, that it will not be against  
20 the public interest to issue a restricted real estate  
21 salesperson license to Respondent.  
22

23           A restricted real estate salesperson license shall  
24 be issued to Respondent pursuant to Code Section 10156.5  
25 if Respondent within twelve (12) months from the date hereof:

26 ///

1 (a) takes and passes the written examination required  
2 to obtain a real estate salesperson license.

3 (b) makes application therefor and pays the  
4 appropriate fee for said license.

5 The restricted license issued to Respondent shall be  
6 subject to all of the provisions of Code Section 10156.7 and to  
7 the following limitations, conditions and restrictions imposed  
8 under authority of Code Section 10156.6:

9  
10 1. The restricted license issued to Respondent  
11 may be suspended prior to hearing by Order of the Real Estate  
12 Commissioner in the event of Respondent's conviction or plea  
13 of nolo contendere to a crime which is substantially related  
14 to Respondent's fitness or capacity as a real estate licensee.

15  
16 2. The restricted license issued to Respondent  
17 may be suspended prior to hearing by Order of the Real Estate  
18 Commissioner on evidence satisfactory to the Commissioner that  
19 Respondent has violated provisions of the California Real  
20 Estate Law, the Subdivided Lands Law, Regulations of the Real  
21 Estate Commissioner or conditions attaching to the restricted  
22 license.

23  
24 ////

25 ///

26 ///

27

1           3. Respondent shall not be eligible to apply for  
2 the issuance of an unrestricted real estate license nor for  
3 the removal of any of the conditions, limitations or  
4 restrictions of a restricted license until two (2) years  
5 have elapsed from the effective date of this Decision.  
6

7           4. Respondent shall submit with any application for  
8 license under an employing broker, or with any application for  
9 transfer to a new employing broker, a statement signed by the  
10 prospective employing real estate broker on a form approved by  
11 the Department which shall certify:  
12

13           (a) That the employing broker has read the Decision  
14 of the Commissioner which granted the right to a restricted  
15 license; and

16           (b) That the employing broker will exercise close  
17 supervision over the performance by the restricted licensee  
18 relating to activities for which a real estate license is  
19 required.  
20

21           This Order shall become effective at 12 o'clock noon  
22 on DEC 20 2007.

23 DATED: 11/19/07

24   
25 JEFF DAVI  
26 Real Estate Commissioner  
27



IT IS SO ORDERED July 2, 1999

JOHN R. LIBERATOR  
Acting Real Estate Commissioner

John R. Liberator

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DATED: July 1, 1999

*Randolph Brenda By*  
\_\_\_\_\_  
Randolph Brenda  
Regional Manager *John McCloud*



*Sacks*  
*Henry*

**FILED**  
MAY 26 1999  
DEPARTMENT OF REAL ESTATE

By *Laura B. Brown*

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DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of	)	NO. H-27994 LA
	)	L-1998020270
JAMES ARTHUR WEBB,	)	
	)	
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	)	
Respondent.	)	

ORDER STAYING EFFECTIVE DATE

On May 5, 1999, a Decision was rendered in the above-entitled matter to become effective June 3, 1999.

IT IS HEREBY ORDERED that the effective date of the Decision of May 5, 1999, is stayed for a period of 30 days.

The Decision of May 5, 1999, shall become effective at 12 o'clock noon on July 2, 1999.

DATED: MAY 25 1999

JOHN R. LIBERATOR  
Acting Real Estate Commissioner

By: *Randolph Brendia*  
RANDOLPH BRENDIA  
Regional Manager

lbo

DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

By Laura B. Crane

\* \* \* \* \*

In the Matter of the Accusation of	)	No. H-27994 LA
	)	
	)	L-1999020270
	)	
	)	
JAMES ARTHUR WEBB,	)	
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	)	
Respondent(s).	)	

DECISION

The Proposed Decision dated April 21, 1999, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

This Decision shall become effective at 12 o'clock noon on JUN 3 1999.

IT IS SO ORDERED May 5, 1999.

JOHN R. LIBERATOR  
Acting Real Estate Commissioner

John R. Liberator

**BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA**

<b>IN THE MATTER OF THE</b>	)	<b>Case No. H-27994 LA</b>
<b>ACCUSATION OF:</b>	)	
	)	<b>OAH No. L-1999020270</b>
<b>JAMES ARTHUR WEBB,</b>	)	
	)	
<b>Respondent.</b>	)	
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**PROPOSED DECISION**

On March 31, 1999, in Los Angeles, California, Erica Tabachnick, Administrative Law Judge-Pro Tem, Office of Administrative Hearings, State of California, heard this matter.

Complainant, Thomas McCrady, was represented by Elliott MacLennan, Staff Counsel.

Respondent, James A. Webb ("Webb"), was present and was represented by James M. Cox, Esq.

Oral and documentary evidence was received. The record was closed, and the matter was submitted for decision.

**FACTUAL FINDINGS**

The Administrative Law Judge makes the following Factual Findings:

1. The Accusation was made by Thomas McCrady, Complainant, who is a Deputy Real Estate Commissioner of the State of California, acting in his official capacity.
2. On May 6, 1991, the Department of Real Estate ("the Department") issued a real estate broker's license to Webb. His license will expire on June 4, 2001, if not renewed. At all times relevant herein, Webb conducted business as a sole proprietorship dba Webb & Associates Real Estate.
3. The Department conducted an audit of Webb for the period of June 1, 1996 through July 31, 1998, to determine whether Webb handles trust funds according to the real estate

law and the Commissioner's regulations. The audit, in conjunction with other evidence presented at trial, proved the following:

A. Webb provides property management services to property owners for a fee. The properties managed consist of single family residences and apartment complexes. Webb's management fees are based on 7% of the gross collected rents and a \$300.00 leasing fee per tenant placed, not to exceed one (1) fee in any 12-month period. Webb manages approximately two hundred sixteen (216) residential rentals for two hundred (200) owners. Monthly rents received average about \$200,000.00.

B. Webb also lists and sells real estate. He closed approximately eight (8) sales in a year. However, the scope of the audit only covered Webb's property management activities.

C. Webb bought his current management company on June 1, 1996, from another broker. The company was formerly called All Associates Realty, Inc. ("All Associates"), and conducted business under the fictitious business name Century 21 Gold Coat Realty Company. When Webb bought the management company, he took over its three (3) trust accounts and opened three (3) new trust accounts. He transferred funds from the All Associates' trust accounts to the new trust accounts and continued using the All Associates' ledgers to document the trust account activities. On September 10, 1996, Webb closed the three (3) All Associates' trust accounts. Webb did not perform bank reconciliations at that time. When Webb bought the business from All Associates, he knew that there was a combined shortage of \$30,967.38 in the three (3) All Associates' trust accounts. However, he agreed to buy the business nevertheless. Although Webb made some attempt to reconcile the three (3) All Associates' trust accounts when he first took over the business, he was unable to do so and never reconciled them. Webb testified that he "had" to buy the business from All Associates or they would have gone bankrupt. He never explained why he felt obligated to assume All Associates' financial problems. His testimony that he had to buy the business was not credible.

D. At the time of the audit between August 21, 1998 and September 22, 1998, Webb maintained three (3) trust accounts. Trust number 1 was his residential trust account, trust number 2 was his rental trust account, and trust number 3 was his security trust account.<sup>1</sup> The following were the auditor's reconciliations for trust accounts 1, 2 and 3 as of July 31, 1998:

<u>Trust 1</u>	
Adjusted Bank Balance, 7/31/98	\$ 2,690.19
(W/P B-1, p2)	
Deposit in Transit	1,853.02

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<sup>1</sup>Trust number 4 refers to the All Associates' residential trust account. Trust number 5 refers to the All Associates' rental trust account and trust number 6 refers to the All Associates' Security trust account. Trusts 4, 5, and 6 were superceded by Trusts 1 through 3.

Outstanding Checks	<12,720.91>
Adjusted Bank Balance, 7/31/98	\$<8,177.70>
Accountability, 7/31/98	<u>26,344.92</u>
(W/P B-1, p2)	
Shortage	<u>\$&lt;34,522.62&gt;</u>

<u>Shortage Identified</u>	
Overdrawn balance	\$ 1,988.58
Funds rec'd not deposited in 3 days	605.00
Posted as broker reimbursement, no deposits made	411.40
Conversion of funds	5,700.00
Unidentified shortage	<u>25,817.64</u>
Total Shortages	<u>\$&lt;34,522.62&gt;</u>

<u>Trust 2</u>	
Adjusted Bank Balance, 7/31/98	\$21,789.51
(W/P B-2, p2)	
Deposit in Transit	0.00
Outstanding Checks	<31,963.10>
Adjusted Bank Balance, 7/31/98	\$<10,173.59>
Accountability, 7/31/98	<u>26,344.92</u>
(W/P B-2, p2)	
Shortage	<u>\$&lt;41,800.40&gt;</u>

<u>Shortage Identified</u>	
Overdrawn balance	\$ 1,104.66
Funds rec'd not deposited in 3 days	2,906.84
Cash rec'd and posted, no deposits made	1,800.00
Unidentified shortage	<u>35,988.90</u>
Total Shortages	<u>\$ 41,800.40</u>

<u>Trust 3</u>	
Adjusted Bank Balance, 7/31/98	\$53,343.33
(W/P B-3, p2)	
Deposit in Transit	0.00
Outstanding Checks	< 80.00>
Adjusted Bank Balance, 7/31/98	\$53,263.33
Accountability, 7/31/98	<u>68,957.65</u>
(W/P B-3, p2)	
Shortage	<u>\$15,694.32</u>

<u>Shortage Identified</u>	
Overdrawn balance	\$ 7,023.88
Conversion of funds	11,485.00
Check to Trust 1, not posted	7,500.00
Unidentified funds**	<u>&lt;10,314.56</u>
Total Shortages	<u>\$ 15,694.32</u>
 Total Shortage	 <u>\$ 92,017.34</u>

\*\*There were unidentified funds of \$10,314.56 in Trust 3.

E. Webb did not deposit all of the trust funds that he received into a trust account within three (3) business days. For example, in trust number 2, the funds listed on deposit slip number 1629, dated July 16, 1998, in the amount of \$2,906.84 were not deposited into the trust account until August 17, 1998. Also in trust account number 1, the funds listed on deposit slip number 2278 in the amount of \$605.00 were posted on July 16, 1998, but Webb did not deposit them until August 11, 1998.

F. Webb also converted and co-mingled trust funds into his general account and used the funds to pay for his own expenses. For example, Webb issued checks from trust account number 1 payable to trust account number 3 and issued checks from trust account number 3 payable to trust account numbers 1 and 2, posted the disbursements to the properties, but actually deposited the checks into his general account. He used the funds to pay for various office expenses, payroll and payroll taxes, mortgage payments, rents, credit card payments and utilities. Additionally, some of the rent money Webb received was not deposited into the trust account. For example, based on the deposit registers of trust account number 2, there were three deposits posted to the properties, but according to the bank statements, no actual deposits were made.

G. Webb also failed to accurately post all of the checks which were issued to his check register. For example, in trust account number 3, check number 1327 for \$5,490.00 was not recorded on the check register. Also, some of the check numbers in the check registers were not posted correctly.

H. Webb failed to maintain separate records of all trust funds received and disbursed for trust accounts numbers 3 and 6. According to Webb, this occurred because his computer person did not set up his program correctly. However, Webb did nothing to correct this error until after the audit.

I. In conclusion, as of July 31, 1998, there was a shortage of \$34,522.62 in trust account number 1. There was a shortage of \$41,800.40 in trust account number 2, and there was a shortage of \$15,694.34 in trust account number 3, for a total of \$92,017.34. This number includes the total combined shortage in the All Associates' trust accounts of \$30,967.38 as of June 28, 1996,

when Webb bought the business. In other words, between the time Webb bought the company and the end of the audit period, he misappropriated \$61,049.98.

4. Webb acknowledged that he did not reconcile his trust accounts and was unable to understand the reason for the negative trust account balance when he bought the business. He has begun the process of restitution, but to date, has paid back only approximately \$7,000.00. Further, he admits that he is still not sure exactly to whom all of the money is owed as he has been unable to determine that. He now deposits all checks within three (3) days of receipt. He has changed his office hours so he has time to go to the bank on a regular basis. Only funds which are earned are deposited into his general account, and he is willing to pay for the cost of future additional Department audits.

5. Although Webb demonstrated genuine remorse for his actions, he never explained how or why he allowed his business to become over \$90,000.00 out of trust, or why he waited so long to try to correct the problems. He offered little or nothing in the way of mitigation or rehabilitation.

### LEGAL CONCLUSIONS

Pursuant to the foregoing Finding of Facts, the Administrative Law Judge makes the following legal conclusions:

1. Cause exists to suspend or revoke Webb's license on the grounds that he violated Business and Professions Code §10145 and Title 10, California Code of Regulations § 2832.1 for permitting, allowing or causing the disbursement of trust funds from trust account number 1, trust account number 2 and trust account number 3 where the disbursement of said funds reduced the total of aggregate funds in these three trust accounts, to an amount which, on July 31, 1998, was \$92,017.34 less than the existing aggregate trust fund liability of Webb to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of the funds, as set forth in Finding 3D.

2. Cause exists to suspend or revoke Webb's license on the grounds that he violated Title 10, California Code of Regulations §2831 for failing to maintain an adequate control record in the form of a columnar record in chronological order of all trust funds received in trust account number 3, as set forth in Finding 3G.

3. Cause exists to suspend or revoke Webb's license on the grounds that he violated Title 10, California Code of Regulations §2831.1 for failing to maintain a separate record for each beneficiary or transaction, thereby failing to account for all trust funds received, deposited into, and disbursed from trust account number 3 and trust account number 6, as set forth in Finding 3H.

4. Cause exists to suspend or revoke Webb's license on the grounds that he violated Title 10, California Code of Regulations §2832 for failing to place funds, including funds received

in certain property management transactions, accepted on behalf of another into the hands of the owner of the funds, into a neutral escrow depository or into a trust fund account not later than three business days following receipt of the funds by the broker or by the broker's salesperson, as set forth in Finding 3E.

5. Cause exists to suspend or revoke Webb's license on the grounds that he violated Title 10, California Code of Regulations §2835 by issuing checks from trust account number 1, trust account number 2 and trust account number 3 and depositing those trust fund checks into his general account and into his personal account in order to pay his office and personal expenses including payroll and payroll taxes, mortgage payments, rents, credit card payments and utilities, as set forth in Finding 3F.

6. The conduct of Webb in issuing checks from trust account number 1, trust account number 2 and trust account number 3 and depositing those trust fund checks into his general account and into his personal account in order to pay his office and personal expenses including payroll and payroll taxes, mortgage payments, rents, credit card payments and utilities, constitutes conversion of trust funds as set forth in Finding 3F.

7. The conduct of Webb in failing to deposit rent money from three real properties received from tenants into trust account number 2 in the amount of \$1,800, constitutes conversion of trust funds as set forth in Finding 3F.

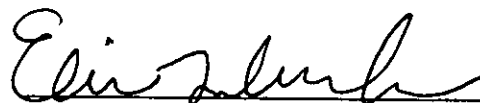
8. A real estate broker must be trusted to act with honesty and integrity toward the public, especially when entrusted with client funds. Under all of the circumstances, Webb cannot be so trusted. This is not to say that such trust can never be reposed in Webb, but he will have to make greater strides toward reform and rehabilitation before that finding can be made.

#### ORDER

#### WHEREFORE, THE FOLLOWING ORDER IS HEREBY MADE:

The real estate broker's license of Respondent, James Arthur Webb, and all rights appurtenant thereto under the real estate law are revoked.

DATED: April 21, 1999



ERICA TABACHNICK  
Administrative Law Judge-Pro Tem  
Office of Administrative Hearings

*Webb*  
*2/3/99*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

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**FILED**  
FEB 23 1999  
DEPARTMENT OF REAL ESTATE  
By Laura B. Stone

In the Matter of the Accusation of ) Case No. H-27994 LA  
) OAH No. L- 1999020207  
**JAMES ARTHUR WEBB,** )  
)  
)  
)  
Respondent. )

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent(s):

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 107 South Broadway, 2nd Floor, Los Angeles, California, on MARCH 31, 1999, at the hour of 9:00 a.m. or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served upon you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

Dated: FEB 23 1999

DEPARTMENT OF REAL ESTATE

By: Elliott MacLennan  
ELLIOTT MACLENNAN, Counsel

cc: James Arthur Webb  
James M. Cox, Esq.  
Sacto., OAH, Audit Section, TM

*Sacto  
Jag*

1 ELLIOTT MAC LENNAN, Counsel  
2 State Bar No. 66674  
3 Department of Real Estate  
4 107 South Broadway, Room 8107  
5 Los Angeles, California 90012  
6  
7 Telephone (213) 897-3937

**FILED**  
JAN 21 1999  
DEPARTMENT OF REAL ESTATE

By *Laura B. Stone*

8  
9 THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \* \* \*

12 In the Matter of the Accusation of )  
13 JAMES ARTHUR WEBB )  
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15 )  
16 )  
17 Respondent. )

No. H-27994 LA

A C C U S A T I O N

18 The Complainant, Thomas McCrady, a Deputy Real Estate  
19 Commissioner of the State of California, for cause of Accusation  
20 against JAMES ARTHUR WEBB operating under the fictitious business  
21 name of Webb & Associates Real Estate is informed and alleges in  
22 his official capacity as follows:

23 1

24 JAMES ARTHUR WEBB (WEBB) is presently licensed and/or  
25 has license rights under the Real Estate Law (Part 1 of Division 4  
26 of the California Business and Professions Code).

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All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

At all times mentioned, in the City of Cerritos, Orange County, WEBB acted as a real estate broker within the meaning of Section 10131(b) of the Code including the operation and conduct of a property management business with the public wherein, for or in expectation of compensation he 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 collected rents from real property, or improvements thereon.

On September 25, 1998, the Department completed a field audit examination of the books and records of WEBB pertaining to the activities described in Paragraph 3. The audit examination covered the period of time beginning on June 1, 1996 and ending on July 31, 1998. The audit examination revealed the following violations of the Code and the Regulations.

At all times mentioned, in connection with the property management activities described in Paragraph 3, WEBB accepted or received funds in trust (trust funds) from or on behalf of actual or prospective lessors and lessees, owners and tenants, and thereafter made disposition of such funds. WEBB maintained the following trust accounts as the depository of said funds at Union

- 1 Bank of California, Bellflower, California:  
2 "Webb & Associates Real Estates Residential Trust Account (T/A #1)  
Account Number 9120038335"  
3  
4 "Webb & Associates Real Estates Residential Trust Account (T/A #2)  
Account Number 9120038327"  
5  
6 "Webb & Associates Real Estates Residential Trust Account (T/A #3)  
Account Number 9120038319"  
7  
8 "Century 21 Gold Coat(sic) Realty Co. Residential Trust Account  
Account Number 0411209018" (T/A #4)  
9  
10 "Century 21 Gold Coat(sic) Realty Co. Property Management Div  
Trust Account (T/A #5)  
11 Account Number 0411200256"  
12 "Century 21 Gold Coat(sic) Realty Co. Security Trust Account  
13 Account Number 0411200181" (T/A #6)

14 6

15 With respect to the trust funds referred to in Paragraph  
16 3, it is alleged that WEBB:

17 (a) Permitted, allowed or caused the disbursement of  
18 trust funds from T/A #1, T/A #2 and T/A #3 where the disbursement  
19 of said funds reduced the total of aggregate funds in these three  
20 trust accounts, to an amount which, on July 31, 1998, was  
21 \$92,017.34 less than the existing aggregate trust fund liability  
22 of Respondent to every principal who was an owner of said funds,  
23 without first obtaining the prior written consent of the owners of  
24 the funds, as required by Section 10145 of the Code and Section  
25 2832.1 of the Regulations;

26 (b) Failed to maintain an adequate control record in  
27 the form of a columnar record in chronological order of all trust



1 funds received in T/A #3, as required by Section 2831 of the  
2 Regulations;

3 (c) Failed to maintain a separate record for each  
4 beneficiary or transaction, thereby failing to account for all  
5 trust funds received, deposited into, and disbursed from T/A #3  
6 and T/A #6, as required by Section 2831.1 of the Regulations;

7 (d) Failed to place funds, including funds received in  
8 certain property management transactions, accepted on behalf of  
9 another into the hands of the owner of the funds, into a neutral  
10 escrow depository or into a trust fund account not later than  
11 three business days following receipt of the funds by the broker  
12 or by the broker's salesperson, as required by Section 2832 of the  
13 Regulations;

14 (e) The conduct of Respondent in issuing checks from  
15 T/A #1, T/A #2 and T/A #3 and depositing those trust fund checks  
16 into his general account and into his personal account in order to  
17 pay his office and personal expenses including payroll and payroll  
18 taxes, mortgage payments, rents, credit card payments and  
19 utilities, constitutes commingling of trust funds.

20 (f) The conduct of Respondent in issuing checks from T/A #1,  
21 T/A #2 and T/A #3 and depositing those trust fund checks into his  
22 general account and into his personal account in order to pay his  
23 office and personal expenses including payroll and payroll taxes,  
24 mortgage payments, rents, credit car payments and utilities,  
25 constitutes conversion of trust funds; and,

26 (g) The conduct of Respondent in failing to deposit rent  
27 money from three real properties received from tenants into T/A #2



1 in the amount of \$1,800, constitutes conversion of trust funds.

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3 The conduct of WEBB, described in Paragraph 6, violated  
4 the Code and the Regulations as set forth below:

5	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
6	6(a)	Section 10145 of the Code and Section 2832.1 of the Regulations
7		
8		
9	6(b)	Section 10145 of the Code and Section 2831 of the Regulations
10		
11		
12	6(c)	Section 10145 of the Code and Section 2831.1 of the Regulations
13		
14		
15	6(d)	Section 10145 of the Code and Section 2832 of the Regulations
16		
17		
18	6(e)	Section 10176(e) of the Code
19		
20	6(f)	Section 10176(i) of the Code
21		
22	6(g)	Section 10176(i) of the Code
23		

24 Each of the foregoing violations separately constitutes cause for  
25 the suspension or revocation of the real estate license and  
26 license rights of WEBB under Section 10177(d, 10176(e) or 10176(i)  
27

1 of the Code as indicated.

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3 The overall conduct of WEBB, constitutes negligence or  
4 incompetence. This conduct and these violations are cause for the  
5 suspension or revocation of the real estate license and license  
6 rights of WEBB under Section 10177(g) of the Code.

7 WHEREFORE, Complainant prays that a hearing be conducted  
8 on the allegations of this accusation and that upon proof thereof,  
9 a decision be rendered imposing disciplinary action against the  
10 license and license rights of JAMES ARTHUR WEBB under the Real  
11 Estate Law (Part 1 of Division 4 of the Business and Professions  
12 Code) and for such other and further relief as may be proper under  
13 other applicable provisions of law.

14 Dated at Los Angeles, California

15 this 21st day of January, 1999.

16   
17 \_\_\_\_\_  
18 Deputy Real Estate Commissioner

19  
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21  
22  
23  
24  
25 cc James A. Webb  
26 c/o Webb & Associates Real Estate  
27 Sacto  
MA  
TM

