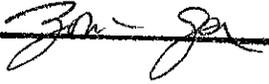


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FILED

MAY 11 2017

BUREAU OF REAL ESTATE

By 

9 BEFORE THE BUREAU OF REAL ESTATE
10 DEPARTMENT OF CONSUMER AFFAIRS
11 STATE OF CALIFORNIA

12 * * *

13 In the Matter of the Accusation of) No. H-40627 LA
14 LUIS ENRIQUE VASQUEZ,) ACCUSATION
15 Respondent.)
16 _____)

17
18 The Complainant, Maria Suarez, a Supervising Special Investigator of the State
19 of California, for cause of Accusation against LUIS ENRIQUE VASQUEZ (“Respondent”)
20 alleges as follows:

21 1.

22 The Complainant, Maria Suarez, a Supervising Special Investigator of the State
23 of California, makes this Accusation in her official capacity.

24 2.

25 Respondent is presently licensed under the Real Estate Law, Part 1 of Division 4
26 of the California Business and Professions Code (“Code”), as a real estate broker. Respondent’s
27 broker license was originally issued on March 22, 2010, and is scheduled to expire on

ACCUSATION OF LUIS ENRIQUE VASQUEZ

1 March 21, 2018, unless renewed. From March 22, 2010 through the present, Respondent was
2 authorized by the Bureau of Real Estate ("Bureau") to use Vasquez Realty & Investments as a
3 fictitious business name.

4 3.

5 At all times relevant herein Respondent was engaged in the business of, acted in
6 the capacity of, advertised or assumed to act as a real estate broker, within the meaning of
7 Section 10131(b) of the Code. Respondent's activities included performing the rental and
8 collection of rents for real property on behalf of others for compensation or in expectation of
9 compensation.

10 (VIOLATIONS)

11 4.

12 On or about January 18, 2017, the Bureau completed an audit examination of the
13 books and records of Respondent pertaining to the real estate activities described in Paragraph 3
14 above. The audit examination covered the period of time from January 1, 2015 through July 16,
15 2016. The primary purpose of the examination was to determine Respondent's compliance with
16 the Real Estate Law. The audit examination revealed numerous violations of the Code and Title
17 10, Chapter 6, of California Code of Regulations ("Regulation") as set forth in the following
18 paragraphs, and more fully discussed in Audit Report No. LA 160005 and the exhibits and
19 work papers attached to said audit report.

20 5.

21 According to Respondent and the documents examined, Respondent managed
22 twenty (20) family residences and one (1) apartment complex for approximately sixteen (16)
23 owners during the audit period described above in Paragraph 4. Respondent received a
24 management fee of \$75 to \$350 per property of the monthly rents collected.

25 6.

26 At all times mentioned herein, and in connection with the property management
27 activities described in Paragraph 5, above, Respondent accepted or received funds, including

1 funds in trust ("trust funds") from or on behalf of owners of the real property managed by
2 Respondent, and thereafter made deposits and/or disbursements of such funds. From time-to-
3 time during the audit period, said trust funds were deposited and/or maintained in the following
4 bank account:

5 Bank Account ("BA 1")

6 Bank: Wells Fargo Bank
7 P.O. Box 6995
8 Portland, Oregon 97228-6995
9 Account Name: Luis E. Vasquez, DBA First Home Realty & Loans
10 Account Number: xxxxx7528
11 Signatories: Luis E Vasquez
12 Purpose: The bank account was used to hold trust funds from Respondent's
13 property management activity.

14 Violations of the Real Estate Law

15 7.

16 The audit examination revealed violations of the Code and Regulations, as set
17 forth in the following paragraphs, and more fully discussed in Audit Report No. LA 160005 and
18 the exhibits and work papers attached to the audit report:

19 (a) **Trust Fund Handling for Multiple Beneficiaries.** According to the bank
20 records provided by Respondent for BA 1, including the bank statements for all trust funds
21 received and disbursed, Respondent permitted, allowed or caused the disbursement of trust
22 funds from bank account BA 1 to fall to an amount which, as of July 31, 2016, was \$2,591.88
23 less than the existing aggregate trust fund liability to the owners of said funds in violation of
24 Code section 10145(a) and Regulation 2832.1.

25 (b) **Trust Fund Records to be Maintained.** Based on an examination of
26 records, Respondent failed to maintain a complete and accurate control record for BA 1.
27 Respondent failed to record all trust fund receipts and disbursements for BA 1 during the audit

1 period. Respondent's records did not reflect the date of trust funds received and a running daily
2 balance in violation of Code section 10145 and Regulation 2831;

3 (c) **Separate Records for Each Beneficiary or Transaction.** Respondent failed
4 to maintain separate records for each beneficiary or transaction for BA 1 during the audit period
5 in violation of Code section 10145 and Regulation 2831.1.

6 (d) **Trust Account Reconciliation.** Respondent failed to perform and maintain a
7 monthly reconciliation comparing the balance of all separate records to the balance of the
8 record of all trust funds received and dispersed to the balance of the control records for BA 1 in
9 violation of Code section 10145 and Regulation 2831.2.

10 (e) **Trust Account Designation and Trust Fund Handling.** Respondent failed
11 to designate BA 1, an account that holds trust funds, as a trust account in Respondent's name as
12 trustee in violation of Code section 10145 and Regulation 2832.

13 (f) **Handling of Trust Funds/Commingling.** Trust funds collected from tenants
14 amounting to \$275,315 were deposited into Respondent's personal account. Said funds were
15 commingled with Respondent's funds and his operating/personal account in BA 1 in violation
16 of Code sections 10145 and 10176(e) and Regulation 2832.

17 (g) **Use of False or Fictitious Name.** Respondent used the unauthorized
18 fictitious business names "First Home Realty & Prop Mngt," "First Home Realty & Prop
19 Mgmt," and "First Home Realty & Loans" in violation of Code section 10159.5 and Regulation
20 2731.

21 8.

22 The conduct of Respondent described in Paragraph 7 above, violated the Code
23 and Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
24 7(a)	25 Code section 10145(a) 26 Regulation 2832.1 27

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7(b) Code section 10145
Regulation 2831

7(c) Code section 10145
Regulation 2831.1

7(d) Code section 10145
Regulation 2831.2

7(e) Code section 10145
Regulation 2832

7(f) Code sections 10145 and 10176(e)
Regulation 2832

7(g) Code section 10159.5
Regulation 2731

Each of the foregoing violations constitute cause for the suspension or revocation of the real estate license and/or license rights of Respondent under the provisions of Sections 10177(d), 10176(e), and/or 10177(g).

(AUDIT COSTS)

9.

Section 10148(b) of the Code, provides, in pertinent part, that the Real Estate Commissioner shall charge a real estate broker for the costs of any audit if the Commissioner has found in a final decision, following a disciplinary hearing, that the broker has violated Section 10145 of the Code or a regulation or rule of the Commissioner interpreting said Code section.

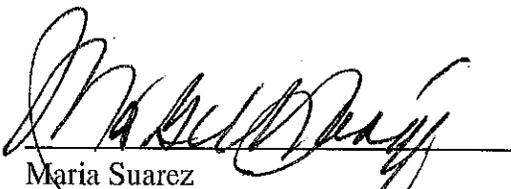
(INVESTIGATION AND ENFORCEMENT COSTS)

10.

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 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 disciplinary action against all the licenses and/or license rights of Respondent LUIS ENRIQUE VASQUEZ under the Real Estate Law, for the costs of investigation and enforcement as permitted by law, for the cost of the audit, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California this 27th day of April, 2017


Maria Suarez
Supervising Special Investigator

cc: LUIS ENRIQUE VASQUEZ
Maria Suarez
Sacto.
Audits – Chambers Tse