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FILED

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BUREAU OF REAL ESTATE

By *Zm Ga*

BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of	)	No. H-40821 LA
	)	
A REAL ESTATE & MANAGEMENT	)	<u>ACCUSATION</u>
COMPANY, INC.; and DREW	)	
CAMERON BAKER, individually and	)	
as Designated Officer of A Real Estate	)	
& Management Company, Inc.,	)	
	)	
Respondents.	)	
	)	
	)	

The Complainant, Maria Suarez, a Supervising Special Investigator of the State of California, acting in her official capacity for cause of Accusation against A REAL ESTATE & MANAGEMENT COMPANY, INC., and DREW CAMERON BAKER, individually and as Designated Officer of A Real Estate & Management Company, Inc. ("Respondents"), is informed and alleges as follows:

1.

All references to the "Code" are to the California Business and Professions Code, all references to the "Real Estate Law" are to Part 1 of Division 4 of the Code, and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

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2.

Respondent A REAL ESTATE & MANAGEMENT COMPANY, INC.

("AREMCI") is presently licensed or has license rights under the Real Estate Law as a corporate real estate broker. Respondent was originally licensed as a corporate real estate broker by the Bureau of Real Estate ("Bureau") effective January 17, 2001. Since that date and continuing to the present, Respondent DREW CAMERON BAKER has been the Designated Officer of Respondent AREMCI. Respondent AREMCI's corporate real estate broker license is due to expire on January 16, 2021. Respondent's corporate real estate broker license was subject to discipline in Bureau Case No. H-38225 LA, as more fully set forth below under, "PRIOR BUREAU ACTION."

3.

Respondent DREW CAMERON BAKER ("BAKER") is presently licensed or has license rights under the Real Estate Law as a real estate broker. BAKER was originally licensed by the Bureau as a real estate broker on January 17, 1986. Respondent's real estate broker license is due to expire on January 16, 2018. Respondent's real estate broker license was subject to discipline in Bureau Case No. H-38225 LA, as more fully set forth below under, "PRIOR BUREAU ACTION."

4.

At all times herein relevant, in the City of Signal Hill, County of Los Angeles, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers within the meaning of Code Section 10131(b). Their activities included soliciting listings of places for rent, soliciting for prospective tenants, and/or management of residential rental real property for and on behalf of others for compensation.

5.

On April 25, 2017, the Bureau completed a follow-up audit examination to H-38225 LA, based on Audit Report LA110184, of the books and records of Respondents pertaining to the property management activities described in Paragraph 4, above. The audit

1 examination covered a period of time beginning on January 23, 2014, and ending October 31,
2 2016. The audit examination revealed violations of the Code and the Regulations as set forth
3 below, and more fully discussed in Audit Report LA160040 and the exhibits and work papers
4 attached to that audit report.

5 6.

6 At all times herein relevant, in connection with the activities described in
7 Paragraph 4, above, Respondents accepted or received funds, and funds in trust (hereinafter
8 "trust funds") including, but not limited to, rental security deposits and rents. Thereafter,
9 Respondents made deposits and or disbursements of such trust funds. From time to time herein
10 mentioned during the audit period, said trust funds were deposited and/or maintained by
11 Respondents in the following trust accounts:

12 A Real Estate and Management Company, Inc.
13 Trust Account for Security Deposits
14 Account No. 097XXXXXX (Redacted for security)
15 Bank of America
16 Wilmington, Delaware

17 (T/A 1 - Trust account for receipt and disbursal of rents and security deposits)

18 A Real Estate and Management Company, Inc.
19 Trust Account for General Property Management Account
20 Account No. 097XXXXXX (Redacted for security)
21 Bank of America
22 Wilmington, Delaware

23 (T/A 2 - Trust account for receipt and disbursal of rents and security deposits)

24 7.

25 With respect to the licensed activities referred to in Paragraph 4, and the audit
26 examination including the exhibits and work papers referenced in Paragraph 5, it is alleged that
27 Respondents:

1 (a) Permitted, allowed or caused the disbursement of trust funds from bank
2 accounts T/A 1 and T/A 2 combined to fall to an amount which, as of October 31, 2016, was
3 \$5,247.79 less than the existing aggregate trust fund liability to the owners of said funds without
4 first obtaining the prior written consent of the owners of said funds in violation of Code Section
5 10145 and Regulation 2832.1;

6 (b) Failed to correct the violations cited in the Stipulation and Agreement
7 entered into in Bureau Case No. H-38225 LA with respect to Code Sections 10145, 10176(e),
8 and Regulations 2831, 2831.1, 2831.2, and 2832.1;

9 (c) Commingled trust funds with broker funds in T/A 2 in violation of Code
10 Sections 10145, and 10176(e), and Regulation 2835;

11 (d) Failed to maintain an accurate columnar record of the receipt and
12 disbursement of trust funds handled through T/A 1 and T/A 2 in violation of Code Section 10145
13 and Regulation 2831;

14 (e) Failed to maintain an accurate separate record for each beneficiary of trust
15 funds collected for T/A 1 and T/A 2, in violation of Code Section 10145 and Regulation 2831.1;

16 (f) Failed to perform a monthly reconciliation of the separate record to the
17 control record for T/A 1 and T/A 2, in violation of Code Section 10145 and Regulation 2831.2;

18 (g) As to BAKER, failed to exercise adequate supervision over the activities
19 of the property management company to ensure compliance with the Real Estate Law in
20 violation of Code Sections 10159.2, 10177(h), and Regulation 2725.

21 8.

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

24 PARAGRAPH

PROVISIONS VIOLATED

25 7(a)

Code Section 10145

26 Regulation 2832.1

1 7(b) Code Sections 10145 and 10176(e)
2 Regulations 2831, 2831.1, 2831.2, and 2832.1
3
4 7(c) Code Section 10145 and 10176(e)
5 Regulation 2835
6
7 7(d) Code Section 10145
8 Regulation 2831
9
10 7(e) Code Section 10145
11 Regulation 2831.1
12
13 7(f) Code Section 10145
14 Regulation 2831.2
15
16 7(g) (As to BAKER) Code Sections 10159.2 and 10177(h)
17 Regulation 2725
18

19 Each of the foregoing violations constitute cause for the suspension or revocation
20 of the real estate license and license rights of Respondents under the provisions of Code Sections
21 10176(e), 10177(d), and/or 10177(g), and as to BAKER, 10177(h).

22 PRIOR BUREAU ACTION

23 9.

24 On June 28, 2012, in Case No. H-38225 LA, an Accusation was filed against
25 Respondents that resulted in discipline against each Respondent by ninety (90) days' suspension
26 with sixty (60) days stayed on terms and conditions for two years and the initial thirty (30) days
27 stayed by payment of a \$5,000.00 fine for each Respondent for violations of Code Sections

1 10140.6(b), 10145, 10159.5 10177(d), and 10177(g), and Regulations 2773, 2831, 2831.1, and
2 2832.1.

3 10.

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

8 11.

9 California Business and Professions Code Section 10106 provides, in pertinent
10 part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, the
11 Commissioner may request the administrative law judge to direct a licensee found to have
12 committed a violation of this part to pay a sum not to exceed the reasonable costs of
13 investigation and enforcement of the case.

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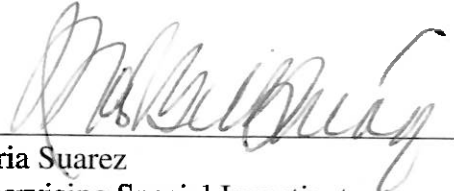
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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against the license and license rights of Respondents A REAL ESTATE &
4 MANAGEMENT COMPANY, INC., and DREW CAMERON BAKER, individually and as
5 Designated Officer of A Real Estate & Management Company, Inc., under the Real Estate Law
6 (Part 1 of Division 4 of the Business and Professions Code), for the costs of investigation and
7 enforcement as provided by law, for costs of the audit, and for such other and further relief as
8 may be proper under other applicable provisions of law.

9 Dated at Los Angeles, California: 12 October 2017

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13 Maria Suarez
14 Supervising Special Investigator
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24 cc: A Real Estate & Management Company, Inc.
25 Drew Cameron Baker
26 Maria Suarez
27 Sacto
Audits – Anitha Wijaya