

Kevin H. Sun, Counsel (SBN 276539)
Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013-1105
Telephone: (213) 576-6982
Fax: (213) 576-6917
Email: Kevin.Sun@dre.ca.gov
Attorney for Complainant

FILED

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DEPT. OF REAL ESTATE

By *jm ga*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of	)	No. H-41535 LA
	)	
STEVE C ROBLES,	)	<u>ACCUSATION</u>
	)	
Respondent.	)	
	)	

The Complainant, Maria Suarez, a Supervising Special Investigator of the State of California, for cause of Accusation against STEVE C ROBLES ("Respondent") alleges as follows:

1.

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

2.

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.

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ACCUSATION

1 LICENSE HISTORY

2 (STEVE C ROBLES)

3 3.

4 (a) Respondent STEVE C ROBLES is presently licensed and/or has license
5 rights under the Real Estate Law, Part 1 of Division 4 of the California Business and
6 Professions Code, as a real estate broker ("REB"), Department of Real Estate¹ ("Department")
7 license ID 01024306.

8 (b) The Department originally issued Respondent's REB license on October 17,
9 2005. Respondent's REB license is scheduled to expire on October 16, 2021, unless renewed.

10 (c) According to the Department's records to date, Respondent does not employ
11 any salesperson under his real estate license.

12 (d) According to the Department's records to date, Respondent maintains
13 authorized fictitious business names of "Robles Property Management".

14 4.

15 At all times relevant herein Respondent was engaged in the business of, acted in
16 the capacity of, advertised or assumed to act as a real estate broker, within the meaning of
17 Section 10131(b) of the Code. Respondent's activities included the leasing or renting of real
18 property and the collection of rents and security deposits for real property on behalf of others
19 for compensation or in expectation of compensation.

20 (AUDIT LA180046)

21 5.

22 On or about June 25, 2019, the Department completed an audit examination of
23 the books and records of Respondent pertaining to the real estate activities described in
24 Paragraph 4 above. The audit examination covered the period of time from November 1, 2017,
25 through October 31, 2018 ("audit period"). The primary purpose of the examination was to
26

27 ¹ Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate
under the Department of Consumer Affairs.

1 determine whether Respondent conducted real estate activities in accordance with the Real
2 Estate Law. The audit examination revealed violations of the Code and the Regulations as set
3 forth in the following paragraphs, and more fully discussed in Audits No. LA180046, and the
4 exhibits and work papers attached to said audit report.

5 6.

6 According to Respondent as well as the documents examined, Respondent was
7 primarily engaged in property management and managed approximately 17 properties for 15
8 property owners. Respondent collected funds in trust ("trust funds") in the amount of
9 approximately \$552,726.00 during the previous 12 months.

10 7.

11 At all times mentioned herein, and in connection with the property management
12 activities described in Paragraph 4, above, Respondent accepted or received funds, including
13 trust funds from or on behalf of the owners of the properties managed by Respondent and
14 thereafter made deposits and/or disbursements of such funds. According to Respondent, he
15 maintained 1 bank account (for multiple beneficiaries) for handling of the receipts and
16 disbursements of rents during the audit period in connection with the property management
17 activities. The bank account is as follows:

18 Bank Account 1 ("BA 1")

19 Bank: Union Bank

20 Account Name: Robles, Steven C dba Robles Property Management

21 Account Number: xxxxxxxx1210

22 Signatories: Steve C Robles

23 Signatures Required: One

24 Purpose: BA 1 was maintained to handle trust funds in the property management
25 activity for multiple beneficiaries. According to BA 1's signature card and statements provided
26 for the audit, BA 1 was not designated as a trust account. As of October 31, 2018, BA 1 had a
27 bank balance of \$3,865.13.

1 Violations of the Real Estate Law

2 8.

3 The audit examination revealed violations of the Code and the Regulations, as
4 set forth in the following paragraphs, and more fully discussed in Audit Report No. LA180046,
5 and the exhibits and work papers attached to the audit report:

6 (a) **Trust Fund Handling (Code section 10145(a))**. Respondent failed to
7 deposit trust funds collected into a trust fund account maintained by Respondent in a bank or
8 recognized depository. Respondent collected and held trust funds via the application "Venmo"
9 before depositing them into BA 1, which was used for handling the receipts and disbursements
10 of trust funds in connection with Respondent's property management activities.

11 (b) **Handling of Trust Funds/Trust Fund Handling for Multiple**
12 **Beneficiaries (Code section 10145 and Regulations section 2832.1)**. Based on an
13 examination of BA 1's records, as of October 31, 2018, Respondent had a total minimum trust
14 fund shortage of \$14,512.91. The total minimum shortage was caused by negative property
15 balances of \$6,251.78, minimum bank services charges of \$24.00, and minimum unidentified
16 shortage of \$8,237.13. There is no evidence that Respondent was given written consent from
17 the owners of the trust funds to allow Respondent to reduce the balance of the funds in BA 1 to
18 an amount less than the aggregate trust fund liabilities.

19 (c) **Handling of Trust Funds/Trust Fund Record to be Maintained (Code**
20 **section 10145 and Regulations section 2831)**. Respondent failed to maintain and provide
21 complete and accurate columnar record of all trust funds received and disbursed in connection
22 with Respondent's property management activities ("control record") for BA 1 during the audit
23 period in violation of Code section 10145 and Regulations sections 2831.

24 (d) **Handling of Trust Funds/Separate Records for Each Beneficiary or**
25 **Transaction (Code section 10145 and Regulations section 2831.1)**. Respondent failed to
26 maintain complete and accurate separate records for each beneficiary or transaction of all trust
27

1 fund receipts and disbursements for BA 1 in connection with Respondent's property activities
2 during the audit period in violation of Code section 10145 and Regulations section 2831.1.

3 (e) Handling of Trust Funds/Trust Account Reconciliation (Code section
4 10145 and Regulations section 2831.2). During the audit period, Respondent did not maintain
5 a complete and accurate monthly reconciliation of the balance of all separate beneficiary or
6 transaction records to the balance of the records of all trust funds received and disbursed for BA
7 1, in violation of Code section 10145 and Regulations section 2831.2.

8 (f) Handling of Trust Funds/Account Designation (Code section 10145 and
9 Regulations section 2832). Respondent failed to designate BA 1 as a trust account, even
10 though the account was being used to handle trust fund for Respondent's property management
11 activities during the audit period. Further, Respondent's failed to deposit the trust funds
12 collected into BA 1 within the required three business days.

13 (g) Retention of Records (Code section 10148).

14 Respondent failed to maintain and/or make available all books, account, and
15 records related to his real estate activities for the DRE auditor's examination, inspection, and
16 copying in violation of Code section 10148. Respondent failed to make available the following
17 records: (1) separate account records and (2) proof of payment records for property owners that
18 Respondent kept in a file labeled ZZZ, which allegedly have an ending balance, despite being
19 requested to by the Department.

20 COSTS

21 (AUDIT COSTS)

22 9.

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

(INVESTIGATION AND ENFORCEMENT COSTS)

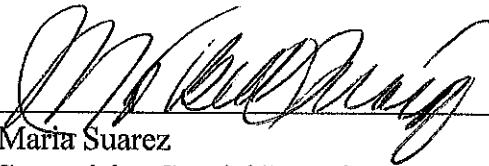
15.

Section 10106 of the Code, provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department, 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.

PRAYER

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 STEVE C ROBLES 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 6th day of November, 2019.


Maria Suarez
Supervising Special Investigator

cc: STEVE C ROBLES
Maria Suarez
Sacto.
Audits – Raymond Chow

ACCUSATION