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**FILED**

**AUG 21 2020**

**DEPT. OF REAL ESTATE**

By *John Aguirre*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

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In the Matter of the Accusation of	)	No. H-41761 LA
	)	
REAVANS CORPORATION,	)	<u>ACCUSATION</u>
doing business as	)	
Reavan's Mortgage Service,	)	
Reavans Real Estate and Investments, and	)	
Wealthy Realty, and	)	
KENICHI KIMURA,	)	
doing business as KenDAX International,	)	
individually and as designated officer of	)	
Reavans Corporation,	)	
	)	
Respondents.	)	
	)	

The Complainant, María Suárez, a Supervising Special Investigator of the State of California, for cause of Accusation against REAVANS CORPORATION, doing business as Reavan's Mortgage Service, Reavans Real Estate and Investments, and Wealthy Realty, and KENICHI KIMURA, doing business as KenDAX International, individually and as designated officer of Reavans Corporation ("Respondents"), is informed and alleges as follows:

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Accusation of Reavans Corporation and Kenichi Kimura

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2 The Complainant, María Suárez, acting in her official capacity as a Supervising  
3 Special Investigator of the State of California, makes this Accusation against Respondents  
4 REAVANS CORPORATION and KENICHI KIMURA.

2. 5

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

#### 8 LICENSE HISTORY

3. 9

10 Respondent REAVANS CORPORATION ("REAVANS") presently has license  
11 rights under the Real Estate Law, Part 1 of Division 4 of the Code as a corporate real estate  
12 broker.

4. 13

14 Respondent KENICHI KIMURA ("KIMURA") presently has license rights as a  
15 real estate broker. KIMURA also has an individual mortgage loan originator license  
16 endorsement and company mortgage loan originator license endorsement.

5. 17

18 Respondent REAVANS is licensed by the Department of Real Estate  
19 ("Department") as a corporate real estate broker by and through Respondent KIMURA, as the  
20 designated officer and broker responsible, pursuant to Code section 10159.2, for supervising the  
21 activities requiring a real estate license conducted on behalf of REAVANS, or by REAVANS'S  
22 officers, agents and employees. KIMURA became the designated officer for REAVANS on or  
23 about December 21, 2017.

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Accusation of Reavans Corporation and Kenichi Kimura

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BROKERAGE

REAVANS CORPORATION

6.

At all times mentioned, in the City of Torrance, County of Los Angeles, Respondent REAVANS acted as a real estate broker, conducting licensed activities within the meaning of Code section 10131(b) (leases or rents real property for others).

AUDIT

REAVANS CORPORATION

7.

On May 9, 2019, the Department completed audit examinations of the books and records of Respondent REAVANS pertaining to the activities described in Paragraph 6 which require a real estate license. The audit examinations covered a period of time from June 1, 2017, to June 30, 2018. The audit examinations revealed violations of the Code and the Regulations as set forth in the following paragraphs, and as more fully discussed in Audit Report LA180007 and the exhibits and workpapers attached to said audit report.

8.

Respondent REAVANS accepted or received funds in trust ("trust funds") including, but not limited to, rental security deposits and rents. Thereafter, Respondent made deposits and or disbursements of such trust funds. During the examination period described in Paragraph 7 above, Respondent deposited or maintained trust funds in the following bank accounts:

Bank Account 1: Chase Bank account ending in 909.

Bank Account 2: Union Bank account ending in 217.

Bank Account 3: Union Bank account ending in 664.

Bank Account 4: Union Bank account ending in 438.

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AUDIT VIOLATIONS OF THE REAL ESTATE LAW

9.

In the course of activities described in Paragraph 6 above and during the examination period described in Paragraph 7 above, Respondents REAVANS and KIMURA acted in violation of the Code and the Regulations in that:

9(a) As of June 30, 2018, Respondent REAVANS had a trust fund shortage in the amount of \$19,446.97 in Bank Account 1. Respondent did not have written consent from the owners of the trust funds to reduce the balance of trust funds to an amount less than the aggregate trust fund liabilities, in violation of Code section 10145 and Regulations section 2832.1. Respondent cured the shortage in December 19, 2018.

9(b) From July 2017 through December 2017, Respondent REAVANS made unauthorized disbursements of trust funds in the amount of \$52,815.10 from Bank Account 1, Bank Account 2, Bank Account 3, and Bank Account 4 to an unlicensed entity, LSTX Property Management Corp, in violation of Code section 10145.

9(c) Respondent REAVANS did not maintain a complete and accurate control record or general ledger of all trust funds received and disbursed, in violation of Code section 10145 and Regulations section 2831.

9(d) Respondent REAVANS did not maintain a complete and accurate separate record of all trust funds received and disbursed for each beneficiary in connection with Respondent's property management activities, in violation of Code section 10145 and Regulations section 2831.1.

9(e) Respondent REAVANS did not perform and maintain a monthly reconciliation of all the separate records with the control record of all trust funds received and disbursed, in violation of Code section 10145 and Regulations section 2831.2.

9(f) Bank account 1 used by Respondent REAVANS for trust funds was not designated as a trust account in violation of Code section 10145 and Regulations section 2832.

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9(g) Respondent REAVANS failed to deposit trust funds into a trust account within three business days following receipt of the trust funds by REAVANS, in violation of Code section 10145 and Regulations section 2832.

9(h) As of June 30, 2018, Respondent REAVANS commingled its own money in the amount of \$28,938.20 with trust funds in Bank Account 1, in violation of Code sections 10145 and 10176(e) and Regulations section 2835.

9(i) Respondent REAVANS used the unlicensed fictitious business names “Reavans Property Management” and “Reavans Professional Property Management”, in violation of Code section 10159.5 and Regulations section 2731.

9(j) Respondent REAVANS employed Tomoko Barrett, Ayano Fujimoto, Nick N Ichimaru, Hiroyuki Kawata, and Kay Kaoru Nagano, but did not enter into a written employment relationship agreement with them, in violation of Regulations section 2726.

9(k) The conduct, acts, or omissions of Respondent KIMURA, as described in Paragraph 9, in failing to ensure compliance of the Real Estate Law by Respondent REAVANS, is in violation of Code section 10159.2 and Regulations section 2725.

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The conduct, acts, or omissions of Respondents REAVANS and KIMURA described in Paragraph 9 above, violated the Code and the Regulations as set forth below:

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<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
9(a)	Code section 10145 and Regulations section 2832.1 (REAVANS)
9(b)	Code section 10145 (REAVANS)
9(c)	Code section 10145 and Regulations section 2831 (REAVANS)
9(d)	Code section 10145 and Regulations section 2831.1 (REAVANS)
9(e)	Code section 10145 and Regulations section 2831.2 (REAVANS)
9(f)	Code section 10145 and Regulations section 2832 (REAVANS)
9(g)	Code section 10145 and Regulations section 2832 (REAVANS)
9(h)	Code sections 10145 and 10176(e) and Regulations section 2835 (REAVANS)
9(i)	Code section 10159.5 and Regulations section 2731 (REAVANS)
9(j)	Regulations section 2726 (REAVANS)
9(k)	Code section 10159.2 and Regulations section 2725 (KIMURA)

The foregoing violations constitute cause for the suspension or revocation of all the licenses, license endorsements, and license rights of Respondent REAVANS under the Real Estate Law pursuant to the provisions of Code sections 10176(e), 10177(d), and 10177(g).

The foregoing violations constitute cause for the suspension or revocation of all the licenses, license endorsements, and license rights of Respondent KIMURA under the Real Estate Law pursuant to the provisions of Code sections 10177(d), 10177(g), and 10177(h).

11.

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

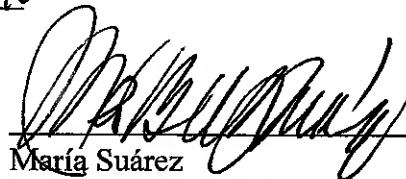
12.

Code Section 10106 provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department of Real Estate, 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 the 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, license endorsements, and license rights of Respondents REAVANS CORPORATION and KENICHI KIMURA under the Real Estate Law, for the cost of audit, investigation, and enforcement as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California

this 14th day of May, 2020.

  
María Suárez  
Supervising Special Investigator

cc: REAVANS CORPORATION  
KENICHI KIMURA  
María Suárez  
Sacto.  
Audits

Accusation of Reavans Corporation and Kenichi Kimura