

1 TRULY SUGHRUE, Counsel
2 State Bar No. 223266
3 Department of Real Estate
4 P.O. Box 137007
5 Sacramento, CA 95813-7007
6 Telephone: (916) 576-8700
7 (916) 576-7847 (Direct)
8 Fax: (916) 263-3767

FILED

OCT 31 2023

DEPARTMENT OF REAL ESTATE
By B. Nicholas

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

11 In the Matter of the Accusation of)
12 J. DEAN PROPERTIES, INC.;) No. H-3513 FR
13 and)
14 MOHAMMED ESSA,) FIRST AMENDED
15 Respondents.) ACCUSATION

16 The Complainant, RUBEN CORONADO, a Supervising Special Investigator of
17 the State of California, for cause of Accusation against J. DEAN PROPERTIES, INC., and
18 MOHAMMED ESSA (collectively referred to as "Respondents"), is informed and alleges as
19 follows:

20 1

21 The Complainant, RUBEN CORONADO, a Supervising Special Investigator of
22 the State of California, makes this Accusation in his official capacity.

23 PRELIMINARY ALLEGATIONS

24 2

25 Respondents are presently licensed and/or have license rights under the Real
26 Estate Law, Part 1 of Division 4 of the Business and Professions Code (Code).

27 ///

At all times mentioned, Respondent J. DEAN PROPERTIES, INC. (JDPI) was and is licensed by the Department as a real estate broker corporation, License ID 02080892. On or about December 14, 2018, JDPI was licensed by the Department as a real estate broker corporation. Unless renewed, JDPI’s corporate broker license will expire December 13, 2026.

Between on or about December 14, 2018, and July 28, 2022, MOHAMMED ESSA (ESSA) was licensed by the Department as the designated broker officer of JDPI. As said designated officer-broker, ESSA was responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of the officers, agents, real estate licensees, and employees of JDPI for which a license is required.

At all times after July 29, 2022, Mohammed Jawad (Jawad) was licensed by the Department as the designated broker offer of JDPI.

JDPI was and is licensed to do business under the following fictitious business names:

Fictitious Business Name	Start Date	End Date
Property Team	12/14/2018	Current
PMI Merced	3/29/2022	Current
PMI Property Management	3/29/2022	Current

At all times mentioned, Jawad was the 100 percent shareholder and Chief Executive Officer of JDPI. JDPI was registered as a corporation (#C4194889) with the California Secretary of State on or about September 14, 2018.

At all times mentioned, Respondent ESSA was and is licensed by the Department individually as a real estate broker, License ID 01303281. ESSA was licensed as a real estate salesperson on January 24, 2001, and as a broker on June 16, 2003. Unless renewed, ESSA’s broker license will expire June 15, 2023.

///

1 At all times mentioned, ESSA held a mortgage loan originator license
2 endorsement, identification number 893161.

3 At all times mentioned, ESSA was and is licensed by the Department as the
4 designated broker officer of Mount Saber, Inc. and Concord Financial Services, Inc. Between
5 December 14, 2018, through July 28, 2022, ESSA was licensed by the Department as the
6 designated broker officer of JDPI.

7 Between on or about June 10, 2021, through June 16, 2023, ESSA was a broker
8 Associate for Sell Ur Home Inc.

9 5

10 At all times mentioned, Sell Ur Home Inc. (SUHI) was and is licensed by the
11 Department as a real estate broker corporation, License ID 02119084. On or about July 10,
12 2020, SUHI was licensed by the Department as a real estate broker corporation. Unless
13 renewed, SUHI's corporate broker license will expire July 9, 2024.

14 At all times mentioned, the licensed designated broker officer of SUHI was:

Designated Officer	Start Date	End Date
ESSA	7/10/2020	3/16/2021
Harry Bikramit Gill	3/16/2021	5/22/2023
Jawad	5/22/2023	Current

15
16
17
18
19 At all times mentioned, Jawad was the 100 percent shareholder and Chief
20 Executive Officer of SUHI. SUHI was registered as a corporation (#C4542514) with the
21 California Secretary of State on or about December 23, 2019.

22 6

23 Between October 26, 2017, through May 4, 2022, Jawad was licensed by the
24 Department as a real estate salesperson, License ID 02043712. Beginning May 5, 2022, and
25 continuing to present, Jawad was and is licensed by the Department as a real estate broker.
26 Unless renewed, Jawad's broker license will expire on May 4, 2026.

27 ///

1 As a real estate salesperson, Jawad's license was affiliated under the following
2 brokers:

3 Employing Broker	Start Date	End Date
4 Avamash Inc.	10/30/2017	11/4/2018
5 ESSA	11/5/2018	12/13/2018
6 JDPI	12/14/2018	8/23/2020
7 SUHI	8/24/2020	10/27/2021
8 Expired	10/26/2021	10/27/2021
9 No Broker Affiliation	10/28/2021	12/7/2021
10 SUHI	12/8/2021	5/4/2022

11 Jawad was and is licensed by the Department as the designated broker officer of:
12 JDPI (as of July 29, 2022), SUHI (as of May 22, 2023), and Matrix Property Services (as of May
13 22, 2023).

14 7

15 Whenever reference is made in an allegation in this Accusation to an act or
16 omission of JDPI, such allegation shall be deemed to mean that the officers, directors,
17 employees, agents and real estate licensees employed by or associated with JDPI committed such
18 acts or omissions while engaged in furtherance of the business or operation of JDPI and while
19 acting within the course and scope of their corporate authority and employment.

20 AUDIT FR21-0061

21 8

22 On or about March 15, 2023, the Department completed its audit (FR21-0061) of
23 the books and records of JDPI's property management activities described in Paragraph 9. The
24 auditor herein examined the records for the period of April 1, 2021, through March 31, 2022.

25 ///

26 ///

27 ///

1
2 At all times mentioned, Respondents engaged in the business of, acted in the
3 capacity of, advertised, or assumed to act as a real estate broker within the State of California
4 within the meaning of Sections 10131(b) of the Code, including the operation and conduct of a
5 property management business with the public wherein, on behalf of others, for compensation or
6 in expectation of compensation, Respondents leased or rented and offered to lease or rent, and
7 solicited for prospective tenants of real property or improvements thereon, and collected rents
8 from real property or improvements thereon.

9 As of the audit examination, Respondents managed one hundred eighty (180)
10 properties with two hundred twenty (220) units for approximately one hundred forty-six (146)
11 owners. Respondents collected approximately \$1,920,000 in trust funds annually.

12 Respondents' property management services include, but not limited to, collecting
13 rents and security deposits for real property and responsibility for repairs and maintenance. For
14 such property management services, Respondents charged a management fee of 5 to 8 percent of
15 collected rents per month. Respondent also charged lease execution fee of \$500 per each new
16 lease and late fees totaling 10 percent of the unpaid rent balance.

17
18 While acting as a real estate broker as described in Paragraph 9, Respondents
19 accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in
20 connection with the leasing, renting, and collection of rents on real property or improvements
21 thereon, as alleged herein, and thereafter from time to time made disbursements of said trust
22 funds.

23 The trust funds accepted or received by Respondents were deposited or caused to
24 be deposited by Respondents into accounts which were maintained by Respondents for the
25 handling of trust funds, and thereafter from time-to-time Respondents made disbursements of
26 said trust funds, identified as follows:

27 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

BANK ACCOUNT # 1	
Bank Name and Location:	PNC Bank (formerly BBVA) ¹ 3065 G Street Merced, CA 95340
Account No.:	BBVA: XXXXXX7983 PNC: XXXXXX1843
Account Name:	J Dean Properties Inc. DBA Property Team Management Division
Signatories:	Jawad Andrea Escamilla (salesperson)
Purpose:	Bank Account #1 was used for the handling of trust funds from property management activities. Deposits consisted of rent and security deposit payments and owner contributions. Disbursements consisted of owner proceeds, security deposit disposition, repairs and maintenance payments, and management fees.

BANK ACCOUNT # 2	
Bank Name and Location:	PNC Bank (formerly BBVA) 3065 G Street Merced, CA 95340
Account No.:	BBVA: XXXXXX7168 PNC: XXXXXX0528

¹ BBVA became PNC Bank on or about October 9, 2021.

1	Account Name:	J Dean Properties Inc. DBA Property Team Management
2		Division
3	Signatories:	Jawad
4		Andrea Escamilla (salesperson)
5	Purpose:	Bank Account #2 was used for the handling of trust funds
6		from property management activities. Deposits consisted of
7		security deposit payments from tenants and transfers from
8		Bank Account #1. Disbursements consisted of security
9		deposit disposition and transfers to Bank Account #1.

10		
11		BANK ACCOUNT # 2
12	Bank Name and Location:	PNC Bank (formerly BBVA)
13		3065 G Street
14		Merced, CA 95340
15	Account No.:	BBVA: XXXXXX7168
16		PNC: XXXXXX0528
17	Account Name:	J Dean Properties Inc. DBA Property Team Management
18		Division
19	Signatories:	Jawad
20		Andrea Escamilla (salesperson)
21	Purpose:	Bank Account #2 was used for the handling of trust funds
22		from property management activities. Deposits consisted of
23		security deposit payments from tenants and transfers from
24		Bank Account #1. Disbursements consisted of security
25		deposit disposition and transfers to Bank Account #1.

26 ///

27 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

CORPORATE ACCOUNT # 1	
Bank Name and Location:	PNC Bank (formerly BBVA) 3065 G Street Merced, CA 95340
Account No.:	BBVA: XXXXXX9382 PNC: XXXXXX2192
Account Name:	J Dean Properties Inc. PMI Merced
Purpose:	Corporate Account #1 was used to pay for office rent, utilities, payroll, and other expenses to operate JDPI. Between July 2021 and February 2022, JDPI had deposited \$9,688.50 in rents and/or other trust funds related to property management activities in Corporate Account #1.

CORPORATE ACCOUNT # 2	
Bank Name and Location:	PNC Bank (formerly BBVA) 3065 G Street Merced, CA 95340
Account No.:	BBVA: XXXXXX5159 PNC: XXXXXX5776
Account Name:	J Dean Properties Inc. Property Team
Purpose:	Corporate Account #2 was used to pay for office rent, utilities, payroll, and other expenses to operate JDPI. On December 7, 2021, JDPI had deposited \$8,782.14 in rents and/or other trust

	funds related to property management activities in Corporate Account #2.
--	--

CORPORATE ACCOUNT # 3	
Bank Name and Location:	PNC Bank 3065 G Street Merced, CA 95340
Account No.:	XXXXXX5594
Account Name:	Sell Ur Home Inc. Keller Williams Merced
Purpose:	Corporate Account #3 was used to pay for office rent, utilities, payroll, and other expenses to operate SUHI. On December 10, 2021, \$8,700 in trust funds was transferred into Corporate Account #2 from JDPI.

11

In the course of the property management activities described in Paragraph 9, and during the audit examination period described in Paragraph 8, Respondents violated the Code and Regulations described below:

Trust Account Accountability and Balances

12

(Bank Account #1)

Based on the records provided during the audit, a bank reconciliation for Bank Account #1 was prepared for as of February 28, 2022. The adjusted bank balance of Bank Account #1 as of February 28, 2022, was compared to the beneficiaries' accountability for Bank Account #1 as of February 28, 2022.

///

///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Adjusted Bank Balance	\$46,166.73
Accountability	<u>\$83,592.13</u>
Trust Fund Shortage	<u>(\$37,425.40)</u>

A shortage of \$37,425.40 was found in Bank Account #1 as of February 28, 2022. The trust fund shortage was caused by: (1) negative balances of \$4,520.21, (2) trust funds in the amount of \$18,470.64 that were deposited into business corporate accounts owned by JDPI and SUHI, and (3) the remaining \$14,434.55 of the shortage could not be identified.

Respondents provided no evidence that the owners of the trust funds had given their written consent to allow Respondents to reduce the balance of the funds in Bank Account #1 to an amount less than the existing aggregate trust fund liabilities, in violation of Section 10145 of the Code and Section 2832.1 of Title 10, Chapter 6, California Code of Regulations (Regulations).

13
(Bank Account #2)

Based on the records provided during the audit, a bank reconciliation for Bank Account #2 was prepared for as of February 28, 2022. The adjusted bank balance of Bank Account #2 as of February 28, 2022, was compared to the beneficiaries' accountability for Bank Account #2 as of February 28, 2022.

Adjusted Bank Balance	\$239,111.00
Accountability	<u>\$240,016.00</u>
Trust Fund Shortage	<u>(\$905.00)</u>

A shortage of \$905 was found in Bank Account #2 as of February 28, 2022. The cause of the shortage was unidentified.

///
///

1 Respondents provided no evidence that the owners of the trust funds had given
2 their written consent to allow Respondents to reduce the balance of the funds in Bank Account
3 #2 to an amount less than the existing aggregate trust fund liabilities, in violation of Section
4 10145 of the Code and Section 2832.1 of the Regulations.

5 Commingling

6 14

7 Respondents commingled with its own money or property, the money or property
8 of others which was received or held by Respondents in trust in violation of Section 10176(e) of
9 the Code.

10 During the audit period, JDPI deposited a total of \$18,470.64 trust funds intended
11 for Bank Account #1 into Corporate Account #1 and/or Corporate Account #2 which were
12 accounts used for the purpose of handling business related income and expenses for JDPI. In
13 addition, during the audit period, \$8,700 of the trust funds deposited into Corporate Account #2
14 were subsequently transferred to Corporate Account #3 which was an account used for the
15 purpose of handling business related income and expenses for SUHI.

16 **Corporate Account #1**

17 A series of trust fund deposits were made into Corporate Account #1 that were
18 meant to be deposited into Bank Account #1. An examination of the accounting records of Bank
19 Account #1 and bank statements for Corporate Account #1 showed the following trust funds that
20 were received and deposited to Corporate Account #1 and mixed with non-trust funds:

Received	Amount	Traced	Cumulative Balance
7/2/2021	\$1,200	7/8/2021	\$1,200
8/4/2021	\$1,200	8/9/2021	\$2,400
9/4/2021	\$1,200	9/9/2021	\$3,600
10/5/2021	\$1,192.50	10/12/2021	\$4,792.50
11/5/2021	\$1,200	11/10/2021	\$5,992.50

12/5/2021	\$1,200	12/8/221	\$7,192.50
1/2/2022	\$1,200	1/5/2022	\$8,392.50
2/5/2022	\$1,296	2/9/2022	\$9,688.50

Corporate Account #2 and Corporate Account #3

An examination of the bank statements for Corporate Account #2 showed that on December 7, 2021, a deposit in the amount of \$8,782.14 was made; however, it was meant to be deposited to Bank Account #1. On December 10, 2021, a transfer from Corporate Account #2 was made in the amount of \$8,700 to Corporate Account #3.

Dishonest Dealing

15

Examination of the bank statements for Corporate Account #1, Corporate Account #2, and Corporate Account #3 was done to show the balance of trust funds deposited or transferred to the account compared to the balance of each account on various days following the deposit or transfer of funds.

Corporate Account #1

The table below shows that at different times when trust funds were maintained in Corporate Account #2, the account balance fell below the trust fund balance. Corporate Account #1 was the sole account that management fee checks were deposited to, and the account was the primary account used by JDPI for expenses related to the operation of JDPI.

Date	Trust Fund Balance	Account Balance	Trust Fund Deficiency
7/15/2021	\$1,200	(\$10.05)	(\$1,200.00)
8/23/2021	\$2,400	\$217.24	(\$2,182.76)
9/13/2021	\$3,600	(\$753.31)	(\$3,600.00)
10/21/2021	\$4,792.50	\$4,327.75	(\$464.75)
11/22/2021	\$5,992.50	\$716.04	(\$5,276.46)
12/17/2021	\$7,192.50	\$1,890.45	(\$5,302.05)

1/5/2022	\$8,392.50	\$1,222.40	(\$7,170.10)
2/23/2022	\$9,688.50	\$287.70	(\$9,400.80)

Corporate Account #2

On December 7, 2021, a deposit in the amount of \$8,782.14 was made into Corporate Account #2; however, it was meant to be deposited to Bank Account #1. On December 10, 2021, a transfer from Corporate Account #2 was made in the amount of \$8,700 to Corporate Account #3. As of February 28, 2022, Corporate Account #2 had a balance of \$82.14, which consisted of trust funds from the initial deposit on December 7, 2021.

Corporate Account #3

The table below shows that at different times when trust funds were maintained in Corporate Account #3, the account balance fell below the trust fund balance. Corporate Account #3 was an account used by SUHI for expenses related to the operation of SUHI.

Date	Trust Fund Balance	Account Balance	Trust Fund Deficiency
12/15/2021	\$8,700	(\$37.70)	(\$8,700)
1/6/2022	\$8,700	(\$11,850.44)	(\$8,700)
2/14/2022	\$8,700	(\$3,842.39)	(\$8,700)

Trust Account Designation

16

During the audit period, Bank Account #1 and Bank Account #2, accounts used to hold trust funds, were not designated as trust accounts in the name of the broker or the broker's fictitious business name as trustee, in violation of Section 10145 of the Code and Section 2832 of the Regulations. Both accounts were titled "J Dean Properties Inc. DBA Property Team Management Division." The signature cards for both accounts show that neither account contained the words "Trust Account" or listed the broker "as trustee."

///

///

///

1 Trust Account Signatory

2 17

3 Respondents caused, permitted, and/or allowed, the possible withdrawal of trust
4 funds from Bank Account #1 and/or Bank Account #2, by Jawab, a salesperson who was not
5 affiliated under the brokerage of JDPI during the audit period. No evidence of a fidelity bond or
6 insurance was provided in violation of Section 10145 of the Code and Section 2834 of the
7 Regulations.

8 Unlicensed Fictitious Business Name

9 18

10 Respondents failed to obtain a real estate license bearing the fictitious business
11 names "PMI Merced," "Keller Williams PMI Merced," and "Keller Williams Property Team,"
12 while conducting activities for which a license was required, in violation of Section 10159.5 of
13 the Code and Section 2731 of the Regulations.

14 Prior to March 29, 2022, property management services were being performed
15 under the fictitious business name of "PMI Merced."

16 FAILURE TO SUPERVISE

17 19

18 Respondent ESSA failed to exercise reasonable supervision over the acts of JDPI
19 in such a manner as to allow the acts and events described above to occur.

20 20

21 The acts and/or omissions of ESSA as described in Paragraph 19, constitutes
22 failure on the part of ESSA, as designated broker-officer for JDPI, to exercise reasonable
23 supervision and control over the licensed activities of JDPI as required by Section 10159.2 of the
24 Code and Section 2725 of the Regulations.

25 ///

26 ///

27 ///

1 the Administrative Law Judge to direct a licensee found to have committed a violation of this
2 part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the
3 case.

4 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
5 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
6 action against all licenses and license rights of Respondents under the Code, for the cost of
7 investigation and enforcement as permitted by law, and for such other and further relief as may
8 be proper under the provisions of law.

9
10 
11 RUBEN CORONADO
12 Supervising Special Investigator

13 Dated at Fresno, California,
14 this 25th day of October, 2023

15
16 DISCOVERY DEMAND

17 Pursuant to Sections 11507.6, *et seq.* of the *Government Code*, the Department of
18 Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the
19 *Administrative Procedure Act*. Failure to provide Discovery to the Department of Real Estate
20 may result in the exclusion of witnesses and documents at the hearing or other sanctions that the
21 Office of Administrative Hearings deems appropriate.

1 TRULY SUGHRUE, Counsel
2 State Bar No. 223266
3 Department of Real Estate
4 P.O. Box 137007
5 Sacramento, CA 95813-7007

6 Telephone: (916) 576-8700
7 (916) 576-7847 (Direct)
8
9 Fax: (916) 263-3767

FILED

SEP 29 2023

DEPARTMENT OF REAL ESTATE
By B. Nicholas

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)
J. DEAN PROPERTIES, INC.;) No. H-3513 FR
and) ACCUSATION
MOHAMMED ESSA,)
Respondents.)

The Complainant, RUBEN CORONADO, a Supervising Special Investigator of the State of California, for cause of Accusation against J. DEAN PROPERTIES, INC., and MOHAMMED ESSA (collectively referred to as "Respondents"), is informed and alleges as follows:

1

The Complainant, RUBEN CORONADO, a Supervising Special Investigator of the State of California, makes this Accusation in his official capacity.

PRELIMINARY ALLEGATIONS

2

Respondents are presently licensed and/or have license rights under the Real Estate Law, Part 1 of Division 4 of the Business and Professions Code (Code).

///

At all times mentioned, Respondent J. DEAN PROPERTIES, INC. (JDPI) was and is licensed by the Department as a real estate broker corporation, License ID 02080892. On or about December 14, 2018, JDPI was licensed by the Department as a real estate broker corporation. Unless renewed, JDPI’s corporate broker license will expire December 13, 2026.

Between on or about December 14, 2018, and July 28, 2022, MOHAMMED ESSA (ESSA) was licensed by the Department as the designated broker officer of JDPI. As said designated officer-broker, ESSA was responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of the officers, agents, real estate licensees, and employees of JDPI for which a license is required.

At all times after July 29, 2022, Mohammed Jawad (Jawad) was licensed by the Department as the designated broker offer of JDPI.

JDPI was and is licensed to do business under the following fictitious business names:

Fictitious Business Name	Start Date	End Date
Property Team	12/14/2018	Current
PMI Merced	3/29/2022	Current
PMI Property Management	3/29/2022	Current

At all times mentioned, Jawad was the 100 percent shareholder and Chief Executive Officer of JDPI. JDPI was registered as a corporation (#C4194889) with the California Secretary of State on or about September 14, 2018.

At all times mentioned, Respondent ESSA was and is licensed by the Department individually as a real estate broker, License ID 01303281. ESSA was licensed as a real estate salesperson on January 24, 2001, and as a broker on June 16, 2003. Unless renewed, ESSA’s broker license will expire June 15, 2023.

///

1 At all times mentioned, ESSA held a mortgage loan originator license
2 endorsement, identification number 893161.

3 At all times mentioned, ESSA was and is licensed by the Department as the
4 designated broker officer of Mount Saber, Inc. and Concord Financial Services, Inc. Between
5 December 14, 2018, through July 28, 2022, ESSA was licensed by the Department as the
6 designated broker officer of JDPI.

7 Between on or about June 10, 2021, through June 16, 2023, ESSA was a broker
8 Associate for Sell Ur Home Inc.

9 5

10 At all times mentioned, Sell Ur Home Inc. (SUHI) was and is licensed by the
11 Department as a real estate broker corporation, License ID 02119084. On or about July 10,
12 2020, SUHI was licensed by the Department as a real estate broker corporation. Unless
13 renewed, SUHI's corporate broker license will expire July 9, 2024.

14 At all times mentioned, the licensed designated broker officer of SUHI was:

Designated Officer	Start Date	End Date
ESSA	7/10/2020	3/16/2021
Harry Bikramit Gill	3/16/2021	5/22/2023
Jawad	5/22/2023	Current

15
16
17
18
19 At all times mentioned, Jawad was the 100 percent shareholder and Chief
20 Executive Officer of SUHI. SUHI was registered as a corporation (#C4542514) with the
21 California Secretary of State on or about December 23, 2019.

22 6

23 Between October 26, 2017, through May 4, 2022, Jawad was licensed by the
24 Department as a real estate salesperson, License ID 02043712. Beginning May 5, 2022, and
25 continuing to present, Jawad was and is licensed by the Department as a real estate broker.
26 Unless renewed, Jawad's broker license will expire on May 4, 2026.

27 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

As a real estate salesperson, Jawad’s license was affiliated under the following brokers:

Employing Broker	Start Date	End Date
Avamash Inc.	10/30/2017	11/4/2018
ESSA	11/5/2018	12/13/2018
JDPI	12/14/2018	8/23/2020
SUHI	8/24/2020	10/27/2021
Expired	10/26/2021	10/27/2021
No Broker Affiliation	10/28/2021	12/7/2021
SUHI	12/8/2021	5/4/2022

Jawad was and is licensed by the Department as the designated broker officer of: JDPI (as of July 29, 2022), SUHI (as of May 22, 2023), and Matrix Property Services (as of May 22, 2023).

7

Whenever reference is made in an allegation in this Accusation to an act or omission of JDPI, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with JDPI committed such acts or omissions while engaged in furtherance of the business or operation of JDPI and while acting within the course and scope of their corporate authority and employment.

AUDIT FR21-0061

8

On or about March 15, 2023, the Department completed its audit (FR21-0061) of the books and records of JDPI’s property management activities described in Paragraph 9. The auditor herein examined the records for the period of April 1, 2021, through March 31, 2022.

///

///

///

At all times mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker within the State of California within the meaning of Sections 10131(b) of the Code, including the operation and conduct of a property management business with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondents leased or rented and offered to lease or rent, and solicited for prospective tenants of real property or improvements thereon, and collected rents from real property or improvements thereon.

As of the audit examination, Respondents managed one hundred eighty (180) properties with two hundred twenty (220) units for approximately one hundred forty-six (146) owners. Respondents collected approximately \$1,920,000 in trust funds annually.

Respondents' property management services include, but not limited to, collecting rents and security deposits for real property and responsibility for repairs and maintenance. For such property management services, Respondents charged a management fee of 5 to 8 percent of collected rents per month. Respondent also charged lease execution fee of \$500 per each new lease and late fees totaling 10 percent of the unpaid rent balance.

While acting as a real estate broker as described in Paragraph 9, Respondents accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in connection with the leasing, renting, and collection of rents on real property or improvements thereon, as alleged herein, and thereafter from time to time made disbursements of said trust funds.

The trust funds accepted or received by Respondents were deposited or caused to be deposited by Respondents into accounts which were maintained by Respondents for the handling of trust funds, and thereafter from time-to-time Respondents made disbursements of said trust funds, identified as follows:

///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

BANK ACCOUNT # 1	
Bank Name and Location:	PNC Bank (formerly BBVA) ¹ 3065 G Street Merced, CA 95340
Account No.:	BBVA: XXXXXX7983 PNC: XXXXXX1843
Account Name:	J Dean Properties Inc. DBA Property Team Management Division
Signatories:	Jawad Andrea Escamilla (salesperson)
Purpose:	Bank Account #1 was used for the handling of trust funds from property management activities. Deposits consisted of rent and security deposit payments and owner contributions. Disbursements consisted of owner proceeds, security deposit disposition, repairs and maintenance payments, and management fees.

BANK ACCOUNT # 2	
Bank Name and Location:	PNC Bank (formerly BBVA) 3065 G Street Merced, CA 95340
Account No.:	BBVA: XXXXXX7168 PNC: XXXXXX0528

¹ BBVA became PNC Bank on or about October 9, 2021.

1	Account Name:	J Dean Properties Inc. DBA Property Team Management
2		Division
3	Signatories:	Jawad
4		Andrea Escamilla (salesperson)
5	Purpose:	Bank Account #2 was used for the handling of trust funds
6		from property management activities. Deposits consisted of
7		security deposit payments from tenants and transfers from
8		Bank Account #1. Disbursements consisted of security
9		deposit disposition and transfers to Bank Account #1.

10	BANK ACCOUNT # 2	
11		
12	Bank Name and Location:	PNC Bank (formerly BBVA)
13		3065 G Street
14		Merced, CA 95340
15	Account No.:	BBVA: XXXXXX7168
16		PNC: XXXXXX0528
17	Account Name:	J Dean Properties Inc. DBA Property Team Management
18		Division
19	Signatories:	Jawad
20		Andrea Escamilla (salesperson)
21	Purpose:	Bank Account #2 was used for the handling of trust funds
22		from property management activities. Deposits consisted of
23		security deposit payments from tenants and transfers from
24		Bank Account #1. Disbursements consisted of security
25		deposit disposition and transfers to Bank Account #1.

26 ///

27 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

CORPORATE ACCOUNT # 1	
Bank Name and Location:	PNC Bank (formerly BBVA) 3065 G Street Merced, CA 95340
Account No.:	BBVA: XXXXXX9382 PNC: XXXXXX2192
Account Name:	J Dean Properties Inc. PMI Merced
Purpose:	Corporate Account #1 was used to pay for office rent, utilities, payroll, and other expenses to operate JDPI. Between July 2021 and February 2022, JDPI had deposited \$9,688.50 in rents and/or other trust funds related to property management activities in Corporate Account #1.

CORPORATE ACCOUNT # 2	
Bank Name and Location:	PNC Bank (formerly BBVA) 3065 G Street Merced, CA 95340
Account No.:	BBVA: XXXXXX5159 PNC: XXXXXX5776
Account Name:	J Dean Properties Inc. Property Team
Purpose:	Corporate Account #2 was used to pay for office rent, utilities, payroll, and other expenses to operate JDPI. On December 7, 2021, JDPI had deposited \$8,782.14 in rents and/or other trust

	funds related to property management activities in Corporate Account #2.
--	--

CORPORATE ACCOUNT # 3	
Bank Name and Location:	PNC Bank 3065 G Street Merced, CA 95340
Account No.:	XXXXXX5594
Account Name:	Sell Ur Home Inc. Keller Williams Merced
Purpose:	Corporate Account #3 was used to pay for office rent, utilities, payroll, and other expenses to operate SUHI. On December 10, 2021, \$8,700 in trust funds was transferred into Corporate Account #2 from JDPI.

11

In the course of the property management activities described in Paragraph 9, and during the audit examination period described in Paragraph 8, Respondents violated the Code and Regulations described below:

Trust Account Accountability and Balances

12

(Bank Account #1)

Based on the records provided during the audit, a bank reconciliation for Bank Account #1 was prepared for as of February 28, 2022. The adjusted bank balance of Bank Account #1 as of February 28, 2022, was compared to the beneficiaries' accountability for Bank Account #1 as of February 28, 2022.

///

///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

Adjusted Bank Balance	\$46,166.73
Accountability	<u>\$83,592.13</u>
Trust Fund Shortage	<u>(\$37,425.40)</u>

A shortage of \$37,425.40 was found in Bank Account #1 as of February 28, 2022. The trust fund shortage was caused by: (1) negative balances of \$4,520.21, (2) trust funds in the amount of \$18,470.64 that were deposited into business corporate accounts owned by JDPI and SUHI, and (3) the remaining \$14,434.55 of the shortage could not be identified.

Respondents provided no evidence that the owners of the trust funds had given their written consent to allow Respondents to reduce the balance of the funds in Bank Account #1 to an amount less than the existing aggregate trust fund liabilities, in violation of Section 10145 of the Code and Section 2832.1 of Title 10, Chapter 6, California Code of Regulations (Regulations).

13
(Bank Account #2)

Based on the records provided during the audit, a bank reconciliation for Bank Account #2 was prepared for as of February 28, 2022. The adjusted bank balance of Bank Account #2 as of February 28, 2022, was compared to the beneficiaries' accountability for Bank Account #2 as of February 28, 2022.

Adjusted Bank Balance	\$239,111.00
Accountability	<u>\$240,016.00</u>
Trust Fund Shortage	<u>(\$905.00)</u>

A shortage of \$905 was found in Bank Account #2 as of February 28, 2022. The cause of the shortage was unidentified.

///
///

1 Respondents provided no evidence that the owners of the trust funds had given
2 their written consent to allow Respondents to reduce the balance of the funds in Bank Account
3 #2 to an amount less than the existing aggregate trust fund liabilities, in violation of Section
4 10145 of the Code and Section 2832.1 of the Regulations.

5 Commingling

6 14

7 Respondents commingled with its own money or property, the money or property
8 of others which was received or held by Respondents in trust in violation of Section 10176(e) of
9 the Code.

10 During the audit period, JDPI deposited a total of \$18,470.64 trust funds intended
11 for Bank Account #1 into Corporate Account #1 and/or Corporate Account #2 which were
12 accounts used for the purpose of handling business related income and expenses for JDPI. In
13 addition, during the audit period, \$8,700 of the trust funds deposited into Corporate Account #2
14 were subsequently transferred to Corporate Account #3 which was an account used for the
15 purpose of handling business related income and expenses for SUHI.

16 **Corporate Account #1**

17 A series of trust fund deposits were made into Corporate Account #1 that were
18 meant to be deposited into Bank Account #1. An examination of the accounting records of Bank
19 Account #1 and bank statements for Corporate Account #1 showed the following trust funds that
20 were received and deposited to Corporate Account #1 and mixed with non-trust funds:

21 Received	Amount	Traced	Cumulative Balance
22 7/2/2021	\$1,200	7/8/2021	\$1,200
23 8/4/2021	\$1,200	8/9/2021	\$2,400
24 9/4/2021	\$1,200	9/9/2021	\$3,600
25 10/5/2021	\$1,192.50	10/12/2021	\$4,792.50
26 11/5/2021	\$1,200	11/10/2021	\$5,992.50

12/5/2021	\$1,200	12/8/221	\$7,192.50
1/2/2022	\$1,200	1/5/2022	\$8,392.50
2/5/2022	\$1,296	2/9/2022	\$9,688.50

Corporate Account #2 and Corporate Account #3

An examination of the bank statements for Corporate Account #2 showed that on December 7, 2021, a deposit in the amount of \$8,782.14 was made; however, it was meant to be deposited to Bank Account #1. On December 10, 2021, a transfer from Corporate Account #2 was made in the amount of \$8,700 to Corporate Account #3.

Dishonest Dealing

15

Examination of the bank statements for Corporate Account #1, Corporate Account #2, and Corporate Account #3 was done to show the balance of trust funds deposited or transferred to the account compared to the balance of each account on various days following the deposit or transfer of funds.

Corporate Account #1

The table below shows that at different times when trust funds were maintained in Corporate Account #2, the account balance fell below the trust fund balance. Corporate Account #1 was the sole account that management fee checks were deposited to, and the account was the primary account used by JDPI for expenses related to the operation of JDPI.

Date	Trust Fund Balance	Account Balance	Trust Fund Deficiency
7/15/2021	\$1,200	(\$10.05)	(\$1,200.00)
8/23/2021	\$2,400	\$217.24	(\$2,182.76)
9/13/2021	\$3,600	(\$753.31)	(\$3,600.00)
10/21/2021	\$4,792.50	\$4,327.75	(\$464.75)
11/22/2021	\$5,992.50	\$716.04	(\$5,276.46)
12/17/2021	\$7,192.50	\$1,890.45	(\$5,302.05)

1	1/5/2022	\$8,392.50	\$1,222.40	(\$7,170.10)
2	2/23/2022	\$9,688.50	\$287.70	(\$9,400.80)

3 **Corporate Account #2**

4 On December 7, 2021, a deposit in the amount of \$8,782.14 was made into
5 Corporate Account #2; however, it was meant to be deposited to Bank Account #1. On
6 December 10, 2021, a transfer from Corporate Account #2 was made in the amount of \$8,700 to
7 Corporate Account #3. As of February 28, 2022, Corporate Account #2 had a balance of \$82.14,
8 which consisted of trust funds from the initial deposit on December 7, 2021.

9 **Corporate Account #3**

10 The table below shows that at different times when trust funds were maintained in
11 Corporate Account #3, the account balance fell below the trust fund balance. Corporate Account
12 #3 was an account used by SUHI for expenses related to the operation of SUHI.

13	Date	Trust Fund Balance	Account Balance	Trust Fund Deficiency
14	12/15/2021	\$8,700	(\$37.70)	(\$8,700)
15	1/6/2022	\$8,700	(\$11,850.44)	(\$8,700)
16	2/14/2022	\$8,700	(\$3,842.39)	(\$8,700)

17 Trust Account Designation

18 16

19 During the audit period, Bank Account #1 and Bank Account #2, accounts used to
20 hold trust funds, were not designated as trust accounts in the name of the broker or the broker's
21 fictitious business name as trustee, in violation of Section 10145 of the Code and Section 2832 of
22 the Regulations. Both accounts were titled "J Dean Properties Inc. DBA Property Team
23 Management Division." The signature cards for both accounts show that neither account
24 contained the words "Trust Account" or listed the broker "as trustee."

25 ///

26 ///

27 ///

1 Trust Account Signatory

2 17

3 Respondents caused, permitted, and/or allowed, the possible withdrawal of trust
4 funds from Bank Account #1 and/or Bank Account #2, by Jawab, a salesperson who was not
5 affiliated under the brokerage of JDPI during the audit period. No evidence of a fidelity bond or
6 insurance was provided in violation of Section 10145 of the Code and Section 2834 of the
7 Regulations.

8 Unlicensed Fictitious Business Name

9 18

10 Respondents failed to obtain a real estate license bearing the fictitious business
11 names "PMI Merced," "Keller Williams PMI Merced," and "Keller Williams Property Team,"
12 while conducting activities for which a license was required, in violation of Section 10159.5 of
13 the Code and Section 2731 of the Regulations.

14 Prior to March 29, 2022, property management services were being performed
15 under the fictitious business name of "PMI Merced."

16 FAILURE TO SUPERVISE

17 19

18 Respondent ESSA failed to exercise reasonable supervision over the acts of JDPI
19 in such a manner as to allow the acts and events described above to occur.

20 20

21 The acts and/or omissions of ESSA as described in Paragraph 19, constitutes
22 failure on the part of ESSA, as designated broker-officer for JDPI, to exercise reasonable
23 supervision and control over the licensed activities of JDPI as required by Section 10159.2 of the
24 Code and Section 2725 of the Regulations.

25 ///

26 ///

27 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

GROUNDS FOR DISCIPLINE

21

The acts and/or omissions of Respondents as alleged in the above constitute grounds for the suspension or revocation of all licenses and license rights of Respondents, pursuant to the following provisions of the Code and Regulations:

As to Paragraphs 12 and 13, under Sections 10177(d) and/or 10177(g) of the Code in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

As to Paragraph 14, under Section 10176(e) of the Code;

As to Paragraph 15, under Section 10176(i) of the Code;

As to Paragraph 16, under Sections 10177(d) and/or 10177(g) of the Code in conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

As to Paragraph 17, under Sections 10177(d) and/or 10177(g) of the Code in conjunction with Section 10145 of the Code and Section 2834 of the Regulations; and

As to Paragraph 18, under Sections 10177(d) and/or 10177(g) of the Code in conjunction with Section 10159.5 of the Code and Section 2731 of the Regulations.

22

The acts and/or omissions of ESSA as alleged in Paragraphs 19 and 20 constitute grounds for the suspension or revocation of all licenses and license rights of ESSA under Sections 10177(g) and/or 10177(h) of the Code, and Section 10159.2 of the Code in conjunction with Section 10177(d) of the Code.

COST RECOVERY

23

The acts and/or omissions of Respondents as alleged above, entitle the Department to reimbursement of the costs of its audit pursuant to Section 10148(b) of the Code.

24

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

1 the Administrative Law Judge to direct a licensee found to have committed a violation of this
2 part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the
3 case.

4 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
5 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
6 JDPI against all licenses and license rights of Respondent under the Code, for the cost of
7 investigation and enforcement as permitted by law, and for such other and further relief as may
8 be proper under the provisions of law.

9
10 
11 _____
12 RUBEN CORONADO
Supervising Special Investigator

13 Dated at Fresno, California,
14 this 20th day of September, 2023

15
16 DISCOVERY DEMAND

17 Pursuant to Sections 11507.6, *et seq.* of the *Government Code*, the Department of
18 Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the
19 *Administrative Procedure Act*. Failure to provide Discovery to the Department of Real Estate
20 may result in the exclusion of witnesses and documents at the hearing or other sanctions that the
21 Office of Administrative Hearings deems appropriate.