

# **REAL ESTATE LAWS AND REGULATIONS**

## **Disciplinary Action Key**

The full text of the sections is available on the DRE Web site [www.dre.ca.gov](http://www.dre.ca.gov) under Real Estate Law and/or Regulations.

### **CALIFORNIA BUSINESS AND PROFESSIONS CODE:**

480(a)(3)	Performance of act which would have been grounds for disciplinary action
490	Substantially related criminal conviction
10130	Acting without license
10137	Unlawful employment or payment of compensation
10145	Trust fund handling
10145(a)	Trust fund handling 10145(d) Violation of interest bearing trust account requirements
10145(c)	Failure by salesperson to deliver trust funds to broker
10148	Failure to retain records and make available for inspection
10159.2	Failure by designated officer to supervise licensed acts of corporation
10159.5	Failure to obtain license with fictitious business name
10160	Failure to maintain salesperson licenses in possession of broker
10161.8	Failure of broker to notify Commissioner of salesperson employment
10162	Failure to maintain a place of business
10165	Failure to comply with specified B&P code sections
10176(a)	Making any substantial misrepresentation
10176(b)	Making false promise
10176(c)	Continued & flagrant course of misrepresentations through salespersons
10176(d)	Failure to disclose dual agency
10176(e)	Commingling trust funds with brokers funds
10176(f)	Exclusive listing agreements without definite termination date
10176(g)	Secret profit or undisclosed compensation
10176(h)	Secret profit under option agreement
10176(i)	Fraud or dishonest dealing in licensed capacity
10177(a)	Procuring a real estate license by misrepresentation or material false statement
10177(b)	Conviction of crime
10177(c)	False advertisement
10177(d)	Violation of real estate law or regulations
10177(e)	Willfully using term "Realtor" or any trade name or insignia of membership in any real estate organization of which licensee is not a member
10177(f)	Conduct that would have warranted denial of a license
10177(g)	Negligence or incompetence in performing licensed acts
10177(h)	Failure to supervise salespersons or licensed acts of corporation
10177(i)	Improper use of governmental employment giving access to confidential records
10177(j)	Fraud or dishonest dealing as principal
10177(k)	Violation of restricted license condition
10177.5	Civil fraud judgment based on licensed acts
10231.2	Failure to give self-dealing notice

10234	Failure by broker negotiating mortgage loan to record or cause trust deed to be recorded
10235.5	Lender purchaser disclosure violation
10238(1)	Failure of RPS dealer to file annual report
10238(a)	Failure of broker to notify Commissioner within 30 days of 1st mortgage transaction or of any material change in required notice
10238(d)	Illegal sale of promotional notes
10238(f)	Violation of restriction to sell notes in excess of 10 to qualified persons
10238(g)	Sale of notes with illegal terms
10240	Failure to provide mortgage loan disclosure statement
10241	Improper mortgage loan disclosure statement
11022	False advertising in subdivision sales

### **COMMISSIONER'S REGULATIONS:**

2715	Licensee's failure to maintain current business or mailing address with DRE
2725	Failure of broker to exercise reasonable supervision over the activities of his or her salespersons
2726	Failure to have broker-salesperson agreements
2731	Unauthorized use of fictitious business name
2740	Performing licensed acts by corporation without a designated officer
2753	Broker's failure to retain salesperson's license at main office or return license at termination of employment
2831	Failure to keep proper trust fund records
2831.1	Inadequate separate trust fund beneficiary records
2831.2	Failure to reconcile trust account
2832	Failure to comply with trust fund handling provisions
2832(a)	Failure of broker to place trust funds into hands of owner, into neutral escrow depository or trust fund account within three business days of receipt
2832(d)	Failure of broker holding trust funds contingent on offer of acceptance to properly place funds within three days of acceptance.
2832(e)	Failure of broker acting as escrow holder to deposit trust funds in trust account by next business day following receipt
2832.1	Failure to obtain permission to reduce trust fund balance in a multiple beneficiary account
2834	Trust account withdrawals by unauthorized or unbonded person
2835	Retention of broker funds in trust accounts
2840	Failure to give approved borrower disclosure
2950	Violation of broker-controlled escrow requirements
2950(d)	Failure of broker handling escrows to maintain records and accounts
2950(h)	Failure to disclose interest in the agency holding the escrow
2951	Improper record keeping for broker handled escrows