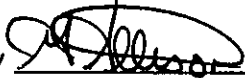


FILED

November 7, 2011

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DEPARTMENT OF REAL ESTATE

By 

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7

8 **BEFORE THE DEPARTMENT OF REAL ESTATE**

9 **STATE OF CALIFORNIA**

10 * * *

11 In the Matter of the Accusation of)	
)	
12 STRONG HOLDINGS, INC.,)	NO. H-2687 FR
13 JENNIFER J. MARTIN, and)	
14 BRENDA J. BAGGIOLINI,)	<u>ACCUSATION</u>
)	
15 Respondents.)	

16 The Complainant, LUKE MARTIN, a Deputy Real Estate Commissioner of the
17 State of California, for Accusation against Respondents STRONG HOLDINGS, INC. (SH),
18 JENNIFER J. MARTIN (MARTIN), and BRENDA J. BAGGIOLINI (BAGGIOLINI) (herein
19 collectively Respondents), is informed and alleges as follows:

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21 The Complainant makes this Accusation against Respondents in his official
22 capacity.

23 2

24 At all times herein mentioned, SH was and is presently licensed and/or has
25 license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and
26 Professions Code (the Code) by the Department of Real Estate (the Department) as a corporate
27 real estate broker.

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At all times herein mentioned, MARTIN was and is presently licensed and/or has license rights under the Code by the Department as a real estate broker.

4

At all times herein mentioned, MARTIN was licensed by the Department as the designated broker/officer of SH. As the designated broker/officer, MARTIN 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 SH for which a real estate license is required.

5

At all times herein mentioned, BAGGIOLINI, had a restricted real estate salesperson license, until it expired on December 7, 2010. Since June 20, 2011, she has been, and is now, a restricted real estate salesperson licensee subject to terms, conditions and restrictions pursuant to Sections 10156.6 and 10156.7 of the Code.

6

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 in the State of California, within the meaning of Section 10131(a) of the Code, including the operation and conduct of a residential resale brokerage wherein Respondents bought, sold, or offered to buy or sell, solicited or obtained listings of, and negotiated the purchase, sale or exchange of real property or business opportunities, all for or in expectation of compensation.

7

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

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1 FIRST CAUSE OF ACTION

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3 Complainant refers to Paragraphs 1 through 7, above, and incorporates them
4 herein by reference.

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6 From December 7, 2010, until June 20, 2011, BAGGIOLINI was not licensed by
7 the Department, either as a real estate broker or as a real estate salesperson.

8 10

9 On or about January 23, 2011, BAGGIOLINI obtained a listing to sell that
10 certain real property commonly known as 1885 Rivermist Court, in Hanford, California
11 (Rivermist Property). On that date, Seller signed an exclusive listing agreement with SH.

12 11

13 On or about February 1, 2011, an offer to purchase the Rivermist Property was
14 accepted by sellers.

15 12

16 On or about March 7, 2011, the lenders accepted a short sale offer forwarded by
17 BAGGIOLINI, with an initial closing date of March 15, 2011, which was extended several
18 times until it closed on April 5, 2011.

19 13

20 From January 23, 2011, through April 2011, BAGGIOLINI communicated
21 with the bank, escrow holder, and buyer's agent concerning the sale of the Rivermist Property.
22 On January 23, 2011, BAGGIOLINI signed the Agency Disclosure Statement and Real Estate
23 Transfer Disclosure Statement regarding the Rivermist Property. On or about March 7, 2011,
24 BAGGIOLINI negotiated with the tenants living in the Rivermist Property, including a promise
25 to pay the buyers \$1,500.00 for the time that tenants remained in the Rivermist Property beyond
26 the original closing date. On and around April 5, 2011, BAGGIOLINI had numerous email
27 contacts with and obtained and forwarded several documents to the escrow holder.

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On or about April 1, 2011, buyer's agent informed MARTIN that BAGGIOLINI was unlicensed. MARTIN advised buyer's agent that another employee would help complete the transaction on the Rivermist Property. In fact, BAGGIOLINI continued to perform real estate activities on the transaction until it closed.

15

On or about April 1, 2011, seller added additional terms, including \$1,500.00 more to the purchase price and a provision allowing the tenants to stay in the property until April 22, 2011. BAGGIOLINI agreed to these terms on behalf of the buyer, despite the fact that they were not in the original contract of sale and failed to document these terms with addenda.

16

In and around May 2011, the seller, MARTIN and SH entered a settlement agreement arising out of the last minute demands of sellers, with MARTIN and SH agreeing to pay buyer \$1,467.42.

17

The facts alleged above constitute a violation of Section 10130 of the Code (Unlicensed Activity) and are cause for the suspension or revocation of the licenses and license rights of Respondent BAGGIOLINI under Sections 10177(d) (Willful disregard/violation of Real Estate Law), 10177(g) (Negligence/Incompetence real estate licensee) and 10177(j) (Other Conduct/Fraud or Dishonest Dealing) of the Code.

18

The facts alleged above constitute a violation of Section 10137 of the Code (Hiring Unlicensed Person) and are cause for the suspension or revocation of the licenses and license rights of Respondent SH under Sections 10177(d) and 10177(g) of the Code.

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The facts alleged above constitute a violation of, and are cause for the suspension or revocation of the licenses and license rights of Respondents SH and MARTIN under Section 10177(h) (Failure to Supervise) of the Code.

SECOND CAUSE OF ACTION

Complainant refers to Paragraphs 1 through 19, above, and incorporates them herein by reference.

At all times herein above mentioned, MARTIN, was responsible as the supervising broker for SH, for the supervision and control of the activities conducted on behalf of SH's business by its employees. MARTIN failed to exercise reasonable supervision and control over the property management activities of SH. In particular, MARTIN permitted, ratified and/or caused the conduct described above, to occur, and failed to take reasonable steps, including but not limited to handling of trust funds, supervision of employees, and the implementation of policies, rules, and systems to ensure the compliance of the business with the Real Estate Law and the Regulations.

The above acts and/or omission of MARTIN violate Section 10159:2 (Responsibility/Directing Officer) of the Code and Section 2725 (Broker Supervision) of the Regulations (Chapter 6, Title 10, California Code of Regulations) and constituted grounds for disciplinary action under the provisions of Section 10177(d) (Willful Disregard/Violation of Real Estate Law) and (h) (Broker Supervision) of the Code.

PRIOR DISCIPLINE - BAGGIOLINI

In Department of Real Estate Case Number H-1915 FR which became effective on October 10, 2006, the Real Estate Commissioner denied Respondent BAGGIOLINI's application for a real estate salesperson license for violations of Section 480(a) and (c) and

1 Section 10177(a) and (b) of the Code and granted Respondent BAGGIOLINI the right to apply
2 for a restricted real estate salesperson license on terms and conditions.

3 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
4 of this Accusation and that upon proof thereof a decision be rendered imposing disciplinary
5 action against all licenses and license rights of Respondents under the Real Estate Law (Part 1 of
6 Division 4 of the Business and Professions Code), and for such other and further relief as may be
7 proper under other provisions of law.

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LUKE MARTIN
Deputy Real Estate Commissioner

Dated at Fresno, California,
this 2nd day of November, 2011.