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**FILED**

SEP 18 2017  
BUREAU OF REAL ESTATE  
By B. Nicholas

8 **BEFORE THE BUREAU OF REAL ESTATE**  
9 **STATE OF CALIFORNIA**

10 \* \* \*

11 In the Matter of the Accusation of )  
12 MELSON REALTY INC, ) NO. H-3086 FR  
13 and MELINDA ANNE MOYES )  
14 Respondents. ) ACCUSATION  
15 )

16 The Complainant, SYLVIA YRIGOLLEN, a Supervising Special Investigator of  
17 the State of California, for cause of Accusation against MELSON REALTY INC (hereinafter  
18 "MRI") and MELINDA ANNE MOYES (hereinafter "MOYES"), collectively, Respondents, is  
19 informed and alleges as follows:

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21 At all times herein mentioned, MRI was and is presently licensed and/or has  
22 license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and  
23 Professions Code (hereinafter "the Code") by the Bureau of Real Estate (hereinafter "the  
24 Bureau") as a corporate real estate broker.

25 2

26 At all times herein mentioned, MOYES was and is presently licensed and/or has  
27 license rights under the Real Estate Law, Part 1 of Division 4 of the Code by the Bureau as a real

1 estate broker.

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3 At all times herein mentioned, MOYES was licensed by the Bureau as the  
4 designated broker/officer of MRI. As the designated broker/officer, MOYES was responsible,  
5 pursuant to Section 10159.2 of the Code, for the supervision of the activities of the officers,  
6 agents, real estate licensees and employees of MRI for which a real estate license is required.

7 4

8 At all times herein mentioned, Respondents engaged in the business of, acted in  
9 the capacity of, advertised, or assumed to act as a real estate broker, in the State of California,  
10 within the meaning of section 10131 (a) of the Code, including the operation and conduct of a  
11 real estate resale brokerage with the public, wherein, on behalf of others, for compensation or in  
12 expectation of compensation, Respondents sold and offered to sell, bought and offered to buy,  
13 solicited prospective sellers and purchasers of, solicited and obtained listings of, and negotiated  
14 the purchase and resale of real property.

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

21 **FIRST CAUSE OF ACTION**

22 (As to both Respondents)

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24 Each and every allegation in Paragraphs 1 through 5, inclusive, is incorporated by  
25 this reference as if fully set forth herein.

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At all times herein mentioned, Respondents were the agents of the owner or subdivider of subdivided lands as defined in Section 11000, 11003, and 11004.5 of the Code.

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Said subdivision is known as or commonly called "Cottontail Hollow", and is located in or near the County of Tulare, State of California (hereinafter "Cottontail Hollow").

9

On or about October 26, 2015, the Bureau issued to Smee Builders, Inc., a California Corporation (hereinafter "SBI"), the Conditional Subdivision Public Report, File Number 148223SA-F00/C01 (hereinafter "the Conditional Public Report"), authorizing the subdividers to enter into purchase contracts with home buyers. However, escrow could not close until the Bureau issued a Final Public Report and purchasers were allowed to review the report.

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Between approximately February 19, 2016 through April 8, 2016, Respondents sold 8 parcels in the Cottontail Hollow subdivision, including but not limited to the following:

Date	Buyer	Lot #
2/19/16	Miguel V-R.	11
2/19/16	Peter & Rosemary G.	10
2/26/16	Arnulfo & Maria H.	13
3/18/16	Muey S.	19
3/25/16	Oralia M.	1
3/25/16	Shannon S.	12
4/8/16	Karen S.	8
4/8/16	Miguel D. L. M.	44

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On or about June 24, 2016, the Bureau issued to SBI the Final Subdivision Public Report, File Number 148223SA-F00.

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Respondents sold 8 parcels of the Cottontail Hollow subdivision prior to the issuance of a Final Subdivision Report by the Bureau in violation of Section 11018.2 (Public Report Required Prior to Sale) of the Code.

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The acts and or omissions of Respondent as alleged in Paragraphs 1 through 12 violates Section 11018.2 of the Code and is grounds for the suspension or revocation of the licenses and license rights of Respondents under Section 10177 (d) (Willful Disregard of Real Estate Laws), and/or 10177 (g) (Negligence/Incompetence of Licensee) of the Code.

**SECOND CAUSE OF ACTION**

(As to MOYES only)

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Each and every allegation in Paragraphs 1 through 13, inclusive, is incorporated by this reference as if fully set forth herein.

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As discussed above, MOYES was the designated broker/officer of MRI for all eight transactions described above in Paragraph 10. MOYES at the time of the transactions owned 5% ownership interest in SBI, the owner or subdivider of Cottontail Hollow subdivisions.

16

MOYES failed to disclose her ownership interest in SBI to the buyers in violation of Section 10177 (o) (Failure to Disclose Direct/Indirect Ownership Interest in Real Property).

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The above acts and/or omissions of MOYES as alleged in Paragraphs 2 through 4, and 14 through 16 violates Section 10177 (o) of the Code and is grounds for the suspension or revocation of the licenses and license rights of MOYES under Section 10177 (d), and/or 10177 (g) of the Code.

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1 THIRD CAUSE OF ACTION

2 (As to MOYES only)

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4 Each and every allegation in Paragraphs 1 through 17, inclusive, is incorporated  
5 by this reference as if fully set forth herein.

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7 MOYES, as the designated broker/officer of MRI, was required to exercise  
8 reasonable supervision and control over the activities of MRI. MOYES failed to exercise  
9 reasonable supervision over the acts and/or omissions of MRI in such a manner as to allow the  
10 acts and/or omissions as described in Paragraphs 6 through 13, above, to occur in violation of  
11 Section 10159.2 of the Code (Duty of Designated Officer to Supervise the Activities of the  
12 Corporation).

13 20

14 The above acts and/or omissions of MOYES violates Section 2725 (Broker  
15 Supervision) of the California Code of Regulations and Section 10159.2 of the Code and  
16 constitutes grounds for disciplinary action under the provisions of Sections 10177(d), 10177(g)  
17 and/or 10177(h) (Broker Supervision) of the Code.

18 21

19 COST RECOVERY

20 Section 10106 of the Code provides, in pertinent part, that in any order issued in  
21 resolution of a disciplinary proceeding before the Bureau, the commissioner may request the  
22 Administrative law judge to direct a licensee found to have committed a violation of this part to  
23 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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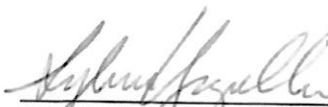
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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondent under the Code, for the reasonable cost of investigation and agency attorney's fees in this matter, and for such other and further relief as may be proper under other provisions of law.

  
\_\_\_\_\_  
SYLVIA YRIGOLLEN  
Supervising Special Investigator

Dated at Sacramento, California,  
this 18th day of September 2017.

**DISCOVERY DEMAND**

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