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FILED

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DEPARTMENT OF REAL ESTATE
By R. Knapp

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of)
12 CHARLES EARL SHERMAN III,) NO. H-6735 SAC
13) ACCUSATION
14 Respondent.)

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16 The Complainant, TRICIA D. PARKHURST, acting in her official capacity as a
17 Supervising Special Investigator of the State of California, for cause of Accusation
18 against CHARLES EARL SHERMAN III (Respondent), is informed and alleges as follows:

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20 At all times herein mentioned, Respondent was and is presently licensed and/or
21 has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and
22 Professions Code (the Code) by the Department of Real Estate (the Department) as a real estate
23 broker and mortgage loan originator.

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25 At all times herein mentioned, Respondent engaged in the business of, acted in the
26 capacity of, advertised, or assumed to act as a real estate broker within the State of California,
27 within the meaning of Section 10131(a) of the Code, including the operation and conduct of a

1 residential resale brokerage wherein Respondent bought, sold or offered to buy or sell, solicited
2 prospective sellers or purchasers of, solicited or obtained listings of, or negotiated the purchase,
3 sale or exchange of real property or a business opportunity, in expectation of compensation.

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5 On or about August 12, 2015, Randi B. and Jordan B. (Buyers), by and through
6 Acerro Real Estate and their real estate broker, Respondent, entered into a residential purchase
7 agreement for the real property known as 2731 Gunn Road, Carmichael, California (Subject
8 Property).

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10 On or about September 1, 2015, Buyers, submitted a request for repairs,
11 requesting the repair of multiple items listed on the home inspection report, termite and pest
12 control report, and roof inspection report.¹

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14 On or about September 5, 2015, Shaun L. (Seller) agreed to all of Buyers'
15 requested repairs as listed in the Request for Repair No. 1.

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17 On or about September 23, 2015, escrow closed on the Subject Property. At the
18 time escrow closed, Buyers had not conducted a final walkthrough or inspection of Subject
19 Property. Respondent failed to obtain from Buyers a waiver of the Buyers right to make a final
20 verification of the Subject Property.

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22 Up to and after the time of escrow, Respondent failed to have Buyers sign the
23 Verification of Property form.

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¹ Buyers' request for repairs was documented on a form identified as "Request for Repairs No. 1".

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On or about September 24, 2015, Buyers signed the contingency removal form.² Respondent failed to have Buyers sign the contingency removal form prior to the close of escrow pursuant to the terms and conditions of the Residential Purchase Agreement.

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After escrow had closed, Buyers discovered repairs that were not completed and defects with the condition of Subject Property.

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The acts and/or omissions of Respondent, as described above, constitute violations and are grounds for the suspension or revocation of the licenses and license rights of Respondent under Sections 10177 (d) (Willful Disregard of Real Estate Laws) and 10177 (g) (Negligence/Incompetence of Licensee) of the Code.

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The acts and/or omissions of Respondent, as described above, constitute cause for revocation of Respondent’s mortgage loan originator license endorsement under Section 10166.051 (b) (Failure to Meet Requirements of Section 10166.05 (c) of the Code, in conjunction with Section 2945.1, Title 10, Chapter 6, California Code of Regulations, for the suspension or revocation of all license endorsement rights of Respondent under the Real Estate Law.

COST RECOVERY

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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 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.

² The contingency removal form signed by Buyers is identified as “Contingency Removal No. 1”.

