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FILED

DEC 26 2017

BUREAU OF REAL ESTATE

By H. Diaz

8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of:)
12 CRANMER PROPERTIES, INC.,) No. H-12181 SF
13 Respondent.) ACCUSATION
14)

15 The Complainant, ROBIN S. TANNER, in her official capacity as a Supervising
16 Special Investigator of the State of California, Bureau of Real Estate ("Bureau"), brings this
17 Accusation against CRANMER PROPERTIES, INC. ("Respondent"), and is informed and alleges
18 as follows:

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

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24 Starting in or around 1998 and continuing through January 14, 2016, Mark William
25 Cranmer ("M. Cranmer"), REB License No. 00478818, was the designated officer or record for
26 Respondent. On January 14, 2016, M. Cranmer passed away.

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From January 14, 2016, through March 23, 2017, M. Cranmer continued to be the designated officer of record for Respondent.

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On March 24, 2017, Eugene Everett Resler, Jr., REB License No. 01028536, became the designated officer of record for Respondent.

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At all relevant times herein, Respondent engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate licensee within the State of California within the meaning of Section 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, Respondent leased or rented or 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.

THE AUDIT

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Beginning on April 20, 2017, and continuing through April 26, 2017, an audit was conducted of Respondent's business activities at Respondent's main office location, 270 King Drive, Walnut Creek, CA 94595, wherein the auditor examined Respondent's records for the period of January 14, 2016, through March 31, 2017, ("audit period").

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While acting as a real estate licensee, as described above in Paragraph 5, Respondent 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.

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The trust funds accepted or received by Respondent, as described above in Paragraph 7, were deposited or caused to be deposited by Respondent into a bank account which was maintained by Respondent for the handling of trust funds, and thereafter from time-to-time Respondent made disbursements of said trust funds, from the following bank account:

Bank Account #1

Bank Name: Scott Valley Bank
Bank Address: P.O. Box 69, Yreka 96097
Account Name: Cranmer Properties, Inc.
Account No.: Last 4 Digits: 3836
Signatories: Edwina C. Cranmer, unlicensed
Mark W. Cranmer, deceased
Description: Bank Account #1 was used for property management activities.

AUDIT FINDINGS

Each and every allegation in Paragraphs 1 through 8, inclusive, is incorporated by this reference as if fully set forth herein.

In the course of the real estate broker activities described in Paragraph 5, above, and during the audit period, it was discovered:

(a) During an accountability performed on Bank Account #1, as of March 31, 2017, a shortage of \$171.81 was revealed, in violation of Section 10145 of the Code;

(b) Respondent failed to obtain written consent from owners of trust funds in Bank Account #1 to allow the balance to drop below accountability, in violation of Section 2832.1 of Chapter 6, Title 10, California code of Regulations ("Regulations");

1 (c) Edwina Cranmer (E. Cranmer”), wife of M. Cranmer, an unlicensed
2 individual, negotiated multiple lease agreements on behalf of Respondent during the audit period, in
3 violation of Section 10130 of the Code;

4 (d) Respondent unlawfully employed E. Cranmer, an unlicensed individual, to
5 engage in activities requiring a real estate license, in violation of Section 10137 of the Code;

6 (e) From on or about January 15, 2016, through March 23, 2017, Respondent
7 engaged in activities requiring a real estate license during a time when Respondent did not have a
8 Designated Officer, in violation of Section 2740 of the Regulations;

9 (f) Respondent used Bank Account #1 as a depository for trust funds when Bank
10 Account #1 was not designated as a trust fund account in its name as a trustee, in violation of
11 Section 10145 of the Code and Section 2832 of the Regulations; and

12 (g) E. Cranmer, an unlicensed individual, had the authority to withdraw trust
13 funds from Bank Account #1 in the absence of fidelity bond coverage equal to, at least, the
14 maximum amount of the trust funds to which she had access, in violation of Section 2834 of the
15 Regulations.

16 COMPLAINTS RECEIVED AGAINST RESPONDENT

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18 The subject audit was initiated after the Bureau received an anonymous complaint
19 alleging that Respondent and E. Cranmer were engaging in unlicensed activity after M. Cranmer’s
20 passing on January 14, 2016.

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22 On or about May 19, 2017, the Bureau received an Enforcement Online Complaint,
23 from David P. against Respondent and E. Cranmer stating that E. Cranmer and Respondent were
24 engaging in unlicensed real estate activities.

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

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

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10 ROBIN S. TANNER
11 Supervising Special Investigator

12 Dated at Oakland, California,
13 this 19th day of December, 2017.

14 DISCOVERY DEMAND

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