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**FILED**

**APR 19 2016**

**BUREAU OF REAL ESTATE**

By John C. Gailor

8 BEFORE THE BUREAU OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) CalBRE No. H-40209 LA  
RIVERSIDE INLAND REAL ESTATE, INC., )  
12 LUIS DANIEL DELGADO, SR., and ) ACCUSATION  
TERESA DELGADO, )  
13 Respondents. )  
14

15 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of  
16 California, for cause of Accusation against RIVERSIDE INLAND REAL ESTATE, INC., LUIS  
17 DANIEL DELGADO, SR., and TERESA DELGADO (collectively "Respondents"), is informed  
18 and alleges as follows:

19 1.

20 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of  
21 California, makes this Accusation in her official capacity.

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2.

Unless otherwise specified, all references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

3.

Respondents are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code).

4.

From May 4, 2009 through the present, Respondent RIVERSIDE INLAND REAL ESTATE, INC. (RIREI) has been licensed by the Bureau of Real Estate ("Bureau") as a real estate corporation, License ID 01861149. RIREI is licensed to do business as Keller Williams Realty Riverside Central Market Center.

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From October 13, 2007 through the present, Barbara Ann Horan ("Horan") has been licensed by the Bureau as a real estate broker, License ID 00947447.

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From May 4, 2009 through May 5, 2015, Respondent RIREI was licensed as real estate corporation, acting by and through Horan as its designated broker-officer.

7.

From June 29, 2006, through the present, Respondent TERESA DELGADO has been licensed by the Bureau as a real estate salesperson, License ID 01758372. At all times relevant herein, Respondent TERESA DELGADO was licensed under the employment of RIREI.

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1 8.

2 From January 12, 2007, through the present, Respondent LUIS DANIEL DELGADO,  
3 SR., also known as Danny Delgado (DANNY DELGADO), has been licensed by the Bureau as a  
4 real estate salesperson, License ID 01787841. At all times relevant herein, Respondent DANNY  
5 DELGADO was licensed under the employment of RIREI.

6 9.

7 From June 1, 2012 through the present, Debora Sue Murray (Murray) has been licensed  
8 by the Bureau as a real estate salesperson, License ID 01913133. From June 1, 2012 through  
9 January 28, 2015, Murray was licensed under the employment of RIREI.

10 CAUSE OF ACCUSATION

11 10.

12 On or about January 28, 2014, Respondents TERESA DELGADO and DANNY  
13 DELGADO, while doing business together as the "Delgado Team," entered into a listing  
14 agreement for the sale of real property located at 25844 Brodiaea Avenue, Moreno Valley,  
15 California (Brodiaea property). Respondents TERESA DELGADO and DANNY DELGADO  
16 acted as agents for the sellers of the Brodiaea property, D.M<sup>1</sup>, S.T, and D.C. Keller Williams  
17 was listed as the broker for the sellers on the listing agreement. Respondents provided a Seller's  
18 Advisory to the sellers of the Brodiaea property which noted, in pertinent part, the following:

19 **"2. DISCLOSURES:**

20 **A. General Disclosure Duties:** You must affirmatively disclose to the buyer, in  
21 writing, any and all known facts that materially affect the value or desirability  
22 of your Property. You must disclose these facts whether or not asked about  
such matters by the buyer, any broker, or anyone else. This duty to disclose  
applies even if the buyer agrees to purchase your Property in its present  
condition without requiring you to make repairs...If the Property you are

23 <sup>1</sup> Initials are used in place of individuals' full names to protect their privacy. Documents containing individuals'  
24 full names will be provided during the discovery phase of this case to Respondents and/or their attorneys, after  
service of a timely and proper request for discovery on Complainant's counsel.

1 selling is a residence with one to four units except for certain subdivisions,  
2 your broker also has a duty to conduct a reasonably competent and diligent  
3 visual inspection of the accessible areas and to disclose to a buyer all adverse  
4 material facts that the inspection reveals. If your broker discovers something  
5 that could indicate a problem, your broker must advise the buyer.

4 **4. MARKETING CONSIDERATIONS:**

5 **A. Pre-Sale Considerations:** You should consider doing what you can to  
6 prepare your Property for sale such as correcting defects or other problems.  
7 Many people are not aware of defects in or problems with their own Property.  
8 One way to make yourself aware is to obtain professional home inspections  
9 prior to sale, both generally, and for wood destroying pests and organisms,  
10 such as termites. By doing this, you then have an opportunity to make repairs  
11 before your Property is offered for sale, which may enhance its marketability.  
12 Keep in mind, however, that any problems revealed by such inspection reports  
13 and repairs that have been made, whether or not disclosed in a report, should  
14 be disclosed to the buyer (see "Disclosures" in paragraph 2 above). This is  
15 true even if the buyer gets his/her own inspections covering the same area.  
16 Obtaining inspection reports may also assist you during contract negotiations  
17 with the buyer. For example, if a pest control report has both a primary and  
18 secondary recommendation for clearance, you may want to specify in the  
19 purchase agreement those recommendations, if any, for which you are going  
20 to pay."

13 11.

14 On February 7, 2014, real estate agents J.G. and T.E. submitted a residential purchase  
15 agreement (RPA) for the Brodiaea property on behalf of their clients, buyers E.L. and N.L. The  
16 RPA noted that the sellers would pay for an inspection and wood pest report prepared by a  
17 registered structural pest control company that would be selected by the sellers. E.L. and N.L.'s  
18 offer to purchase the Brodiaea property was accepted by the sellers. The buyers were purchasing  
19 the Brodiaea property through a loan partially guaranteed by the Department of Veteran Affairs  
20 (VA).

21 12.

22 The escrow company who handled the Brodiaea transaction was All Southern California  
23 Escrow and the escrow officer was E.R. On February 8, 2014, Respondent TERESA  
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1 DELGADO emailed E.R. at her current and correct email address regarding opening the escrow  
2 of the Brodiaea property. Respondents TERESA DELGADO and DANNY DELGADO had  
3 worked with E.R. on other transactions prior to the sale of the Brodiaea property and had  
4 communicated with E.R. using E.R.'s correct email address. An addendum to the RPA which  
5 was dated February 10, 2014 and signed by the sellers listed E.R.'s correct email address on the  
6 first page of the addendum.

7 13.

8 On or about February 14, 2014, Respondent DANNY DELGADO requested an  
9 inspection and wood pest report for the Brodiaea property from Canyon Termite and Pest  
10 Control (Canyon). Canyon prepared wood pest report no. W10461 for the Brodiaea property.  
11 The Canyon report noted drywood termites and fungus or dryrot damage. The estimated cost of  
12 the repairs noted in the Canyon report was \$925.00. The Canyon report was submitted to  
13 Respondent DANNY DELGADO.

14 14.

15 On or about February 18, 2014, Respondent TERESA DELGADO requested a second  
16 opinion inspection and wood pest report for the Brodiaea property from DeAnza Termite & Pest  
17 Control, Inc. (DeAnza). On February 21, 2014, DeAnza's inspector, V.C., met with Respondent  
18 DANNY DELGADO at the Brodiaea property and performed a second opinion inspection.  
19 Respondent DANNY DELGADO requested that DeAnza provide a report on the same day of the  
20 inspection. DeAnza prepared wood pest report no. 38689 for the Brodiaea property. The  
21 DeAnza report noted drywood termite and fungus or dryrot damage. The DeAnza report also  
22 noted that there was evidence of an active infestation, infection, or conditions that have resulted  
23 from infestation or infection. The estimated cost of the repairs noted in the DeAnza report was  
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1 \$4,445.00. The DeAnza company does not charge for second opinion inspections unless  
2 DeAnza is asked to complete the repairs.

3 15.

4 DeAnza emailed their report to Respondent TERESA DELGADO. Respondents chose to  
5 disregard the DeAnza report and failed to disclose the DeAnza report or its contents to the buyers  
6 or the buyers' agents. DeAnza also emailed their report to the escrow officer, E.R., at an  
7 incorrect email address which had been provided by Respondents. The DeAnza report was not  
8 mailed to the escrow company. Escrow officer E.R. did not receive the DeAnza report prior to  
9 the close of escrow on the Brodiaea property transaction. E.R. did not receive any request from  
10 Respondents to distribute the DeAnza termite report. According to escrow officer, E.R., the first  
11 time she received the DeAnza report was on June 6, 2014, when it was mailed to her with a letter  
12 from an attorney. E.R. claims that if she had received the DeAnza report prior to the close of  
13 escrow, she would have prepared an amendment which noted that there were two termite  
14 inspections and reports and identified which termite company would do the repair work.

15 16.

16 On or about March 5, 2014, Respondent TERESA DELGADO sent an email to the  
17 buyers' agent-T.E., the escrow officer-E.R., and the buyers' lender representative-R.C., with an  
18 attached Standard Notice of Work Completed and Not Completed (Standard Notice) that was  
19 prepared by Canyon. The Canyon Standard Notice noted, "[T]his is to certify that the property  
20 described herein is now free of evidence of active infestation or infection in the visible and  
21 accessible areas." The work performed cost \$925.00. R.C. asked that the Canyon Standard  
22 Notice be amended to include verbiage required by the VA for approval of a loan and that the  
23 Canyon Standard Notice be signed by the sellers and buyers. The VA verbiage on the Canyon  
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1 Standard Notice was as follows: "THIS IS TO CERTIFY THAT I HAVE RECEIVED A COPY  
2 OF THE TERMITE REPORT, AND/OR COMPLETION REPORT AND THE REQUIRED  
3 WORK HAS BEEN COMPLETED AT NO COST TO ME." At the time when the buyers  
4 signed the Canyon Standard Notice, the buyers, buyers' agents (T.E. and J.G.), and the buyers'  
5 lender were unaware of the DeAnza report.

6 17.

7 The work alleged to have been completed by Canyon was disputed by the buyers. The  
8 buyers' agent, T.E., met with a Canyon Representative at the Brodiaea property to discuss the  
9 alleged incomplete work by Canyon including wood that needed to be replaced instead of filled.  
10 Canyon agreed to complete the work. Escrow closed on March 11, 2014, upon the assurance  
11 that the Canyon repairs would be completed. Respondents received a commission of \$5,675.00  
12 from the sale of the Brodiaea property.

13 18.

14 After moving into the property, the buyers discovered DeAnza's inspection tag in the  
15 garage and contacted DeAnza to inquire why their tag was on the property. The buyers then  
16 became aware of the DeAnza inspection and report. After close of escrow, the buyers' agents  
17 attempted to discuss the DeAnza report with Respondent DANNY DELGADO and Murray, a  
18 manager for RIREI. Respondents refused to discuss the matter with the buyers' agents.

19 19.

20 On or about October 9, 2014, the Structural Pest Control Board for the State of California  
21 (SPCB) required that Canyon bring the Brodiaea property in compliance with the SPCB's Report  
22 of Findings for Case No. 14-508-7-196-14. SPCB Specialist R.M. inspected the Brodiaea  
23 property on September 10, 2014 and reviewed Canyon's reports and Standard Notices and found  
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1 that Canyon failed to complete its contract. Decay fungi damage remained under, adjacent to,  
2 and beyond the repaired and replaced wood in numerous areas including the decking and roof  
3 eaves. Damage also extended beneath the white primer paint. Canyon failed to report damaged  
4 rafter tail and roof sheathing on the second story eave adjacent to the fireplace. The sunken  
5 appearance of the wood was visible and reportable at the time of Canyon's inspection on  
6 February 14, 2014. Damage appeared to be both drywood termite and decay fungi. Canyon  
7 failed to report drywood termite evidence in the master bedroom.

8 20.

9 The conduct, acts and/or omissions of Respondents TERESA DELGADO, DANNY  
10 DELGADO, and RIREI concerning the DeAnza inspection and report as described above in  
11 Paragraphs 10 through 18, constitute cause for the suspension or revocation of all real estate  
12 license and license rights of Respondents TERESA DELGADO, DANNY DELGADO, and  
13 RIREI under the provisions of Code Sections 10176(a), 10176(i), 10177(d), and/or 10177(g).

14 COST RECOVERY

15 21.

16 Code Section 10106 provides, in pertinent part, that in any order issued in resolution of a  
17 disciplinary proceeding before the Bureau of Real Estate, the Commissioner may request the  
18 administrative law judge to direct a licensee found to have committed a violation of this part to  
19 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this  
2 Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action  
3 against all licenses and/or license rights of Respondents RIVERSIDE INLAND REAL ESTATE,  
4 INC., LUIS DANIEL DELGADO, SR., and TERESA DELGADO under the Real Estate Law  
5 (Part 1 of Division 4 of the Business and Professions Code), for the cost of investigation and  
6 enforcement as permitted by law, and for such other and further relief as may be proper under  
7 other provisions of law.

8 Dated at San Diego, California, this 4<sup>th</sup> day of April, 2016.

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10   
11 Veronica Kilpatrick  
Supervising Special Investigator  
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20 cc: Riverside Inland Real Estate, Inc.  
21 Ronald Forrest  
22 Luis Daniel Delgado, Sr.  
Teresa Delgado  
23 Veronica Kilpatrick  
Sacto.  
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