

1 LAURENCE D. HAVESON, Counsel (SBN 152631)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105
5 Telephone: (213) 576-6982
6 Direct: (213) 576-6911
7 Fax: (213) 576-6917
8 *Attorney for Complainant*

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DEPT. OF REAL ESTATE
By *John Aguirre*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of) No. H-41464 LA
12 CHARVET ASSOCIATES and))
13 JOYCE MARIE BOGARD,))
14 individually and as designated officer))
15 of Charvet Associates,))
Respondents.)

16 The Complainant, Maria Suarez, a Supervising Special Investigator for the
17 Department of Real Estate ("Department") of the State of California, for cause of Accusation
18 against CHARVET ASSOCIATES ("CHARVET") and JOYCE MARIE BOGARD
19 ("BOGARD") (collectively "Respondents"), alleges as follows:

20 1. The Complainant, Maria Suarez, acting in her official capacity as a Supervising
21 Special Investigator, makes this Accusation against Respondents.

22 2. All references to the "Code" are to the California Business and Professions Code
23 and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

24 LICENSE HISTORY

25 3. Respondent CHARVET has been licensed intermittently by the Department as a
26 real estate corporation, License ID 00971064, from September 24, 1987 through September 23,
27 1995, and from July 23, 2013 through the present, with CHARVET's license scheduled to expire
28 on July 22, 2021. CHARVET was most recently licensed through BOGARD's real estate broker

1 license, ID 00778634, and BOGARD was the most recent designated officer. According to the
2 Department's records, CHARVET does not currently have a designated officer and broker.
3 BOGARD's real estate broker license expired on January 13, 2019. According to the
4 Department's records, CHARVET's officer was canceled as of February 4, 2019. From December
5 4, 1991 to September 24, 1995, and from July 23, 2013 until February 3, 2019, CHARVET was
6 licensed to do business as "South Bay Property Management."

7 4. Respondent BOGARD was licensed by the Department as a real estate broker,
8 License ID 00778634, from on or about December 20, 1982 through January 13, 2019, at which
9 time BOGARD's license expired. The Department retains jurisdiction over the lapsed license
10 pursuant to Code section 10103.

11 5. Rita Medina Alleshouse ("Alleshouse"), became licensed by the Department as a
12 real estate salesperson, License ID 01936500, on November 25, 2014, and is currently licensed.
13 Alleshouse was first employed as a real estate salesperson under BOGARD's broker license from
14 November 25, 2014 to August 22, 2018. Thereafter, Alleshouse was employed as a real estate
15 salesperson under CHARVET's corporate real estate broker's license from August 23, 2018,
16 through February 3, 2019. Alleshouse's license is scheduled to expire on November 24, 2022,
17 unless renewed. Alleshouse is currently not employed by a licensed real estate broker and has no
18 broker affiliation.

19 DEPARTMENT OF REAL ESTATE CASE NO. H-38727 LA

20 6. On or about February 21, 2013, in Case No. H-38727 LA, the Department filed an
21 Order to Desist and Refrain against CHARVET. The Department held that CHARVET, which was
22 doing business as South Bay Property Management, was in violation of Code section 10130, and
23 ordered CHARVET to immediately desist and refrain from performing any acts which required a
24 real estate broker license until CHARVET was properly licensed. The Department also found that
25 Alleshouse, who was CEO of CHARVET at the time, was not licensed.

26 BROKERAGE: CHARVET

27 7. At all times mentioned, CHARVET has engaged in, is engaging in, attempting to
28 engage in, acting in the capacity of, and advertising and/or assuming to act as a corporate real

1 estate broker, within the meaning of Code section 10131(b) (leasing or renting, or soliciting
2 prospective tenants, or collecting rents on behalf of another or others).

3 COMPLAINT

4 8. On or about March 26, 2018, the Department received a complaint from Meri N.¹
5 alleging that in or about September 2017, Alleshouse, acting on behalf of South Bay Property
6 Management ("SBPM"), deposited three (3) homeowners' assessment payments from
7 homeowners of the Redondo Vista Homeowners Association ("RVHOA") into a bank account not
8 belonging to RVHOA. According to Meri N., RVHOA's bank account is with Wells Fargo, and
9 Alleshouse deposited the checks into an account with Bank of America. According to Meri N.,
10 the error was discovered by one of RVHOA's members in or about November or December 2017.
11 According to Meri N., Alleshouse did not notify the RVHOA board until December 2017.

12 9. Although the Department has no jurisdiction over homeowner association ("HOA")
13 activities, an audit of CHARVET's property management activities revealed numerous violations
14 of the Real Estate Law.

15 AUDIT: CHARVET, LA 18-0008

16 10. On August 23, 2018, the Department completed an audit examination of the books
17 and records of CHARVET's real estate activities that require a corporate real estate broker license
18 under Code section 10131. The audit examination covered the time period January 1, 2017 to
19 June 30, 2018 ("audit period"). The audit was limited to CHARVET's property management
20 activities. During the audit period, CHARVET's designated officer and broker was BOGARD.

21 11. Based on the Department's licensing records for CHARVET, from July 23, 2013,
22 to February 3, 2019, CHARVET was licensed to do business as "South Bay Property
23 Management," and did not maintain any branch offices. From August 23, 2018 to February 3,
24 2019, Alleshouse was employed as a salesperson under CHARVET's corporate real estate broker
25 license. As noted above, CHARVET's designated officer was canceled as of February 4, 2019.

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27 ¹ First names and the first initial of the last names are used in place of an individual's full name to protect their
28 privacy. Documents containing the individual's full name will be provided during the discovery phase of this case to
Respondents CHARVET and BOGARD and/or their attorney(s), after service of a timely and proper request for
discovery on Complainant's counsel.

1 12. Based on a discussion between the Department's auditor and BOGARD and
2 Alleshouse, Alleshouse is the sole owner of CHARVET and is CHARVET's President. According
3 to BOGARD and sole owner Alleshouse, and based on the record examined, CHARVET is
4 involved in property management activities.

5 13. CHARVET managed a total of nine (9) residential properties, including seven (7)
6 properties with one (1) to four (4) units and two (2) properties with four or more units, for a total
7 of 28 units for 9 properties owners. CHARVET also collected HOA dues. CHARVET maintained
8 nine (9) single-beneficiary bank accounts. Based on a sampling of three (3) bank accounts by the
9 Department's auditor, CHARVET collected trust fund receipts of approximately \$283,702.32
10 during the audit period January 1, 2017 to June 30, 2018. CHARVET charged a management fee
11 of 6-8% per month of monthly rent collected.

12 14. The three (3) bank accounts sampled by the Department's auditor are as follows:

13 15. Bank Account #1 ("BA 1")

14 Bank: Bank of America
15 Account Name: Geraldine L. Butler, Ms. Linette B. Woodland, Rita M. Dotts
16 Account #: XXXXXXXXXX9091
17 Signatories Geraldine L. Butler
18 Ms Linette B Woodland
19 Alleshouse (aka Rita M. Dotts)
20 Signature(s) needed: One

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22 16. Bank Account #2 ("BA 2")

23 Bank: Bank of America
24 Account Name: Medie Descargar 39th Street Property
25 Account #: XXXXXXXXXX2458
26 Signatories Medie Descargar
27 Alleshouse
28 Signature(s) needed: One

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17. Bank Account #3 ("BA 3")

Bank: Bank of America
Account Name: Ms Anne K. Nelson Sole Prop dba Anne Karin Nelson
Account #: XXXXXXXXXXX9822
Signatories Anne Karin Nelson
Alleshouse (aka Rita M. Dotts)
Signature(s) needed: One

18. Based on an examination of property management agreements and lease agreements by the Department's auditor, an agreement was made between the property owners and Alleshouse on behalf of CHARVET's licensed fictitious business name, "South Bay Property Management."

19. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and as more fully discussed in Audit Report LA 18-0008 and the exhibits and work papers attached to this audit report.

AUDIT FINDINGS: VIOLATIONS OF THE REAL ESTATE LAW

20. In the course of their real estate activities during the audit period of January 1, 2017 to June 30, 2018, Respondents CHARVET and BOGARD acted in violation of the Code and the Regulations as follows:

Issue One (1). Code section 10145 and Regulation 2831: Trust Fund Records to be Maintained

21. CHARVET did not maintain complete records of all trust funds received and disbursed for BA1, BA2, and BA3 during the audit period. While CHARVET's records showed the date the deposit of trust funds was recorded and the actual date of deposit, the records did not show the date that the trust funds were received. The table below reflects records maintained by CHARVET in the accounts sampled, with the date that trust funds were received missing from the records:

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	<u>Property Address</u>	<u>Amount</u>	<u>Date Deposit Recorded</u>	<u>Actual date of Deposit</u>
1	1065 12 th Street	\$3,350.00	1/3/17	1/3/17
2	1065 12 th Street	\$5,775.04	6/4/18	6/4/18
	39 th Street	\$4,298.00	5/1/17	5/1/17
3	39 th Street	\$7,473.00	6/4/18	6/4/18
	1468 Sunnyside Terrace	\$3,059.63	9/2/16	9/9/16
4	1468 Sunnyside Terrace	<u>\$3,059.63</u>	1/31/17	2/3/17
5	Total	<u>\$27,015.30</u>		

6 22. CHARVET's failure to maintain complete records of all trust funds received and
7 disbursed for BA1, BA2, and BA3, and its failure to ensure that all records accurately reflected the
8 reflect the trust funds' date of receipt, was in violation of **Code section 10145 and Regulation**
9 **2831.**

10 Issue Two (2). Code section 10145 and Regulation 2832: Trust Account Designation / Trust Fund
11 Handling

12 23. BOGARD stated that CHARVET's rental bank accounts were joint accounts with
13 owners for the rental properties. These accounts were set up to receive rents and pay bills for the
14 rental properties managed.

15 24. Based on an examination of BA1's, BA2's, and BA3's bank signature cards dated
16 August 15, 2018, March 23, 2013, and August 14, 2017, respectively, the Department's auditor
17 confirmed that BA1, BA2, and BA3 were used for trust funds received and/or disbursed in
18 connection with CHARVET's property management activities, however, these bank accounts were
19 not designated as trust accounts, and were not held in CHARVET's name or its licensed fictitious
20 business name, SBPM, as trustee during the audit period, in violation of **Code section 10145 and**
21 **Regulation 2832.**

22 Issue Three (3). Code section 10145 and Regulation 2834: Handling of Trust Funds / Trust
23 Account Withdrawals

24 25. An examination of BA1's, BA2's, and BA3's bank signature cards dated August
25 15, 2018, March 23, 2013, and August 14, 2017, respectively, revealed that Alleshouse—first
26 employed by BOGARD and, later, employed under CHARVET, with BOGARD as the designated
27 officer and broker—was authorized to sign and make withdrawals on BA1, BA2, and BA3 bank
28 accounts during the audit period.

1 26. Linette Butler Woodland (ID No. 01323585, expiring on 11/18/21), licensed under
2 Century 21 Amber Realty Inc, (ID No. 00818176, expiring on 06/30/21), was authorized to sign
3 and make withdrawals on BA1 during the audit period.

4 27. Geraldine Butler (ID No. 01260316, expiring on 06/13/19), licensed under Century
5 21 Amber Realty Inc (ID No. 00818176, expiring on 06/30/21) was authorized to sign and make
6 withdrawals on BA1 during the audit period.

7 28. Medie Descargar, an unlicensed owner, was authorized to sign and make
8 withdrawals on BA2 without fidelity bond coverage during the audit period.

9 29. Anne Karin Nelson, an unlicensed owner, was authorized to sign and make
10 withdrawals on BA3 without fidelity bond coverage during the audit period.

11 30. BOGARD, the designated officer and broker for CHARVET, was not authorized to
12 sign and make withdrawals on BA1, BA2, and BA3 during the audit period.

13 31. The failure to obtain an authorization for BOGARD, and the authorization of real
14 estate salespersons not licensed to BOGARD or CHARVET, and unlicensed individuals without
15 fidelity bonds—which includes the individuals listed above in paragraphs 26 through 29—to
16 make withdrawals on BA1, BA2, and BA3 during the audit period is in violation of **Code Section**
17 **10145 and Regulation 2834.**

18 Issue Four (4). Code section 10159.5 and Regulation 2731: Use of False or Fictitious Name

19 32. CHARVET used the unlicensed fictitious business names: “Home Team 1065,”
20 “Medie Descargar 39th St Property,” “Anne K Nelson Sole Prop,” and “Anne Karin Nelson” to
21 conduct its property management activities. The aforementioned fictitious business names were
22 not listed in the Department’s licensing records. The fictitious business names were used in the
23 following documents:

Unlicensed Fictitious <u>Business Name</u>	<u>Documents</u>
Home Team 1065	Bank Signature Card/Bank Statement
Medie Descargar 39 th Street Property	Bank Signature Card/Bank Statement
Anne K Nelson Sole Prop	Bank Signature Card/Bank Statement
Anne Karin Nelson	Bank Signature Card/Bank Statement

1 33. CHARVET thus used unlicensed fictitious business names to conduct its property
2 management activities in violation of **Code section 10159.5 and Regulation 2731.**

3 Issue Five (5). Code section 10140.6(b) and Regulation 2773: Disclosure of Licensed Status in
4 Advertising

5 34. BOGARD and Alleshouse failed to disclose CHARVET's licensed identification
6 number on their business cards as the first point of contact with consumers, in violation of **Code**
7 **section 10140.6(b) and Regulation 2773.**

8 Issue Six (6). Code section 10161.8 and Regulation 2752: Salesperson Employment and
9 Termination / Notice of Change of Broker

10 35. An examination of sampled property management agreements dated November 30,
11 2016, March 22, 2008, and September 1, 2009, revealed that agreements were made between the
12 property owners and CHARVET's manager Alleshouse on behalf of CHARVET.

13 36. According to the Department's licensing records, Alleshouse was licensed under
14 BOGARD from November 25, 2014 to August 22, 2018. Based on a discussion between the
15 Department's auditor and BOGARD, Alleshouse is the President/Manager and sole owner of
16 CHARVET.

17 37. According to the Department's licensing records, Alleshouse's employment was
18 changed to CHARVET effective August 23, 2018.

19 38. CHARVET and BOGARD failed to notify the Department of the employment of
20 Alleshouse in a timely manner, in violation of **Code section 10161.8 and Regulation 2752.**

21 Issue Seven (7). Code sections 10159.2 and 10177(h), and Regulation 2725: Responsibility of
22 Corporate Officer in Charge / Broker Supervision

23 39. Based on the above audit findings, BOGARD failed to adequately supervise
24 CHARVET's real estate activities conducted by CHARVET's salespersons and its employees, and
25 failed to establish policies, rules, procedures, and systems to review, oversee, inspect, and manage
26 transactions requiring a real estate license and the handling of trust funds, in violation of **Code**
27 **sections 10159.2 and 10177(h), and Regulation 2725.**

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1 ADDITIONAL VIOLATIONS OF THE REAL ESTATE LAW

2 NEGLIGENCE AND WILLFUL DISREGARD OF THE REAL ESTATE LAW

3 40. The Complainant realleges and incorporates by reference all of the allegations
4 contained in paragraphs 1 through 39 above, with the same force and effect as though fully set
5 forth herein.

6 41. The overall conduct of BOGARD is violative of the Real Estate Law and
7 constitutes cause for the suspension or revocation of the real estate licenses and license rights of
8 BOGARD under the provisions of Code sections 10177(g) for negligence and 10177(d) for willful
9 disregard of the Real Estate Law.

10 INVESTIGATION AND ENFORCEMENT COSTS

11 42. Code section 10106 provides, in pertinent part, that in any order issued in
12 resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner
13 may request the administrative law judge to direct a licensee found to have committed a violation
14 of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of
15 the case.

16 AUDIT COSTS

17 43. Code section 10148(b) provides, in pertinent part, the Commissioner shall charge a
18 real estate broker for the cost of any audit, if the Commissioner has found in a final decision
19 following a disciplinary hearing that the broker has violated Code section 10145 or a regulation or
20 rule of the Commissioner interpreting said section.

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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action
3 against all the licenses and license rights of Respondents CHARVET ASSOCIATES and JOYCE
4 MARIE BOGARD under the Real Estate Law, for the costs of investigation and enforcement as
5 permitted by law, and for such other and further relief as may be proper under other applicable
6 provisions of law, and for costs of audit.

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8 Dated at Los Angeles, California this 13th day of August, 2019.

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12 _____
13 Maria Suarez
Supervising Special Investigator

14 cc: CHARVET ASSOCIATES
15 JOYCE MARIE BOGARD
16 Maria Suarez
17 Sacto.