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BUREAU OF REAL ESTATE

By S. Black

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8
9 BEFORE THE BUREAU OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)
13)
14 PAULA PROTINE and)
15 JENNIFER SANDOVAL,)
Respondents.)

No. H-2921 FR

ACCUSATION

16 The Complainant, BRENDA SMITH, a Deputy Real Estate Commissioner of the
17 State of California, for cause of Accusation against PAULA PROTINE (PROTINE), and
18 JENNIFER SANDOVAL (SANDOVAL), collectively referred to as RESPONDENTS, is
19 informed and alleges as follows:

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21 The Complainant makes this Accusation in her official capacity.

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23 At all times herein mentioned, PROTINE was and is presently licensed and/or
24 has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and
25 Professions Code (Code) by the Bureau of Real Estate (Bureau) as a real estate broker doing
26 business as River Oaks Property Management (ROPM).

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2 At all times herein mentioned, SANDOVAL was and is presently licensed and/or
3 has license rights as a real estate salesperson.

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5 At all times herein mentioned, SANDOVAL was employed by PROTINE. As the
6 employing broker, PROTINE was responsible, pursuant to Section 10132 of the Code and
7 Section 2725 of the Regulations for the supervision of the activities of SANDOVAL for which a
8 real estate license is required.

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10 At all times herein mentioned, RESPONDENTS engaged in the business of,
11 acted in the capacity of, advertised, or assumed to act as a real estate broker within the State of
12 California within the meaning of Section 10131(b) of the Code, including the operation and
13 conduct of a property management business with the public wherein, on behalf of others, for
14 compensation or in expectation of compensation. RESPONDENTS leased or rented or offered
15 to lease or rent, or places for rent, or solicited listings of places for rent or solicited for
16 prospective tenants, or negotiated the sale, purchase or exchange of leases on real property, or
17 on a business opportunity, or collected rents from tenants.

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19 In or around March 2011, Virginia H. hired RESPONDENTS to manage her real
20 property commonly known as 264 N. Oak Ave. in Oakdale, California (N. Oak Property).

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22 On or about December 7, 2012, there was a fire in the kitchen in the N. Oak
23 Property.

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On or about January 4, 2013, SANDAVOL signed a settlement agreement with the insurance company on behalf of the N. Oak Ave. Property tenant, Michael S. The settlement provided for the payment of \$5,548.97 to cover the repairs for the fire at the N. Oak Ave. Property.

In or around June 2013, Virginia H. learned of the fire at the N. Oak Ave. Property. On or about June 25, 2013, Virginia H. wrote a letter to RESPONDENTS and complained that there had not yet been any repairs of the damage caused by the fire at the N. Oak Ave. Property.

On or about July 3, 2013, RESPONDENTS responded to Virginia H's letter and stated that:

- (1) The insurance payment went to the "company approved vendor";
- (2) That materials were purchased; and
- (3) That the repair work was complete.

On or about March 24, 2014, SANDOVAL met with a Bureau Special Investigator and represented that:

- (1) The company approved vendor that was selected to perform the work was Joe T.; and
- (2) That RESPONDENTS had paid Joe T. \$5,548.97 in cash to do the repairs to the N. Oak Ave. Property.

The representations that RESPONDENTS made in Paragraphs 10 and 11, above, were untrue and RESPONDENTS knew them to be untrue at the time and were made for the purpose of converting the insurance payment money. The true facts were:

- 1 (1) The insurance payment went to SANDAVOL;
2 (2) No materials were purchased;
3 (3) The repair work had not been performed;
4 (4) A "company approved vendor had not been hired to perform the repairs;
5 (5) RESPONDENTS did not pay any money to Joe T, or anyone, to perform the
6 repair work.

7 13

8 The acts of RESPONDENTS, described above, constitute violations of Sections
9 10176(a) (substantial misrepresentation), 10176(b) (false promises to induce) , 10176(i) (other
10 conduct fraud or dishonest dealing) and are grounds for the suspension or revocation of
11 RESPONDENTS' real estate license under Sections 10176(a), 10176(b), 10176(i), 10177(d)
12 (willful/disregard Real Estate Law) and 10177(g) (negligence/incompetence real estate licensee)
13 of the Code.

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15 SECOND CAUSE OF ACTION

16 Complainant refers Paragraphs 1 through 13, above, and incorporates the same
17 herein by reference.

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19 Beginning on September 17, 2013, continuing intermittently through February 7,
20 2014, the Bureau examined the accounting and other records of PROTINE. An examination of
21 the accounting and other records of PROTINE was conducted for the Period beginning on March
22 1, 2012, to March 31, 2013.

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In the course of the activities described in Paragraph 5, in connection with the collection and disbursement of trust funds, it was determined that:

- (a) As of March 31, 2013, an accountability of Trust Account #1, revealed a shortage of \$8,423.45, in violation of Section 10145 of the Code;
- (b) PROTINE failed to maintain a record of all trust funds received and disbursed (control records) for Trust Account #1, as required by Section 2831 of Chapter 6, Title 10, of the Regulations (Regulations);
- (c) PROTINE failed to maintain separate beneficiary records for Trust Account #1, as required by Section 2831.1 of the Regulations; and
- (d) PROTINE failed to perform monthly reconciliations of the separate beneficiary records and control records for Trust Account #1, as required by Section 2831.2 of the Regulations.

The acts and/or omissions described above constitute violations of Sections 2831 (control records), 2831.1 (separate beneficiary records), 2831.2 (monthly reconciliations) of the Regulations and of Section 10145 (trust fund handling) of the Code and are grounds for discipline under Section 10177(d) (willful disregard of real estate laws) and 10177(g) (negligence/incompetence licensee) of the Code.

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, 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.

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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
3 action against all licenses and license rights of Respondents under the Code, and for such other
4 and further relief as may be proper under other provisions of law.
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7 
8 BREND A SMITH
9 Deputy Real Estate Commissioner

10 Dated at Fresno, California,
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12 this 10 day of November, 2014.
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