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FILED
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BUREAU OF REAL ESTATE
By JM

9 BEFORE THE BUREAU OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of) No. H-03180 FR
13 SRPM MANAGEMENT INC,)
14 LINDA LOU BANALES, individually and as) ACCUSATION
15 designated officer of SRPM Management Inc,)
16 MICHAEL DARRELL BETTES, and)
17 JARED DUANE COPE,)
18 Respondents.)

19 The Complainant, Brenda Smith, a Supervising Special Investigator of the State
20 of California, for cause of Accusation against SRPM MANAGEMENT INC, LINDA LOU
21 BANALES, individually and as designated officer of SRPM Management Inc, MICHAEL
22 DARRELL BETTES, and JARED DUANE COPE ("Respondents") alleges as follows:

23 1.

24 The Complainant, Brenda Smith, a Supervising Special Investigator of the State
25 of California, makes this Accusation in her official capacity.

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- ix. Mission Escrow
- x. Real Estate Connection
- xi. Real Estate Proz
- xii. Tresor Properties
- xiii. Vareteam

4.

(LINDA LOU BANALES)

a. Respondent LINDA LOU BANALES ("BANALES") is presently licensed and/or has license rights under the Code, as a real estate broker, Bureau license ID 01172638.

b. Respondent BANALES' broker license was originally issued on October 21, 2010, and is scheduled to expire on October 20, 2018, unless renewed.

c. Respondent BANALES does not currently maintain any fictitious business names under her real estate broker license.

e. Respondent BANALES is the designated officer for Respondent SRPM. As designated officer, Respondent BANALES is responsible for the supervision of the activities conducted on behalf of Respondent SRPM by its officers, agents, real estate licensees, and employees pursuant to Section 10159.2 of the Code.

5.

(JARED DUANE COPE)

a. Respondent JARED DUANE COPE ("COPE") is presently licensed and/or has license rights under the Code, as a real estate broker, Bureau license ID 01506193.

b. Respondent COPE's broker license was originally issued on October 17, 2012, and is scheduled to expire on October 16, 2020, unless renewed.

c. According to the Bureau's records to date, Respondent COPE's main office address is 5601 Truxton Avenue, Suite 150, Bakersfield, California 93309.

d. Respondent COPE does not currently maintain any fictitious business names under his real estate broker license.

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e. Respondent COPE is a broker-associate for Respondent SRPM.

f. On the Keller Williams website www.kw.com, Respondent COPE is listed as one of its agents. A link to his website <http://jaredcope.yourkwagent.com> and his blog at www.871cope.com ("Cope blog") are advertised on this Keller Williams website. According to the Cope blog, "The Cope Real Estate Team is a full time real estate group..." which includes Respondent MICHAEL DARRELL BETTES.

6.

(MICHAEL DARRELL BETTES)

a. Respondent MICHAEL DARRELL BETTES ("BETTES") is presently licensed and/or has license rights under the Code as a real estate salesperson, Bureau license ID 01951953.

b. Respondent BETTES' salesperson license was originally issued on May 16, 2014, and is scheduled to expire on May 15, 2018, unless renewed.

c. Respondent BETTES is a salesperson for Respondent SRPM.

d. According to the Cope blog, Respondent BETTES is a salesperson in "The Cope Real Estate Team."

e. Respondent BETTES does not currently maintain any fictitious business names under his real estate salesperson license.

REAL ESTATE ACTIVITY

7.

At all times relevant herein Respondents were engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker, within the meaning of Code section 10131(a) by selling or offering to sell, buying or offering to buy, soliciting prospective sellers or purchasers of, soliciting or obtaining listings of, or negotiating the purchase, sale or exchange of real property or a business opportunity ("real estate sales").

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COMPLAINT

8.

On or about May 1, 2017, the Bureau received a complaint from consumer R.P.¹ concerning Respondents COPE and BETTES' conduct during a real estate sale transaction involving 5806 Oneida Falls Drive, Bakersfield, California ("Oneida Falls property"). R.P. was the seller in the transaction and represented by Patricia Sikes ("Sikes"), a real estate salesperson (Bureau license ID 01312378) for Pacific Baruna Corp (Bureau license ID 01945265), DBA Summit Realty Group. Respondents represented the buyers. R.P. alleged that Respondents inflated the buyers' closing costs. As a result, the net proceeds were \$2,000.00 less to R.P. than expected and agreed upon per the language in the Purchase Agreement.

9.

After an investigation was conducted by the Bureau, on or about September 1, 2017, R.P. and Respondents COPE, BETTES, and BANALES, executed a "Hold Harmless Agreement" whereby R.P., in exchange for \$2,000.00, agreed to hold Respondents COPE, BETTES, and BANALES harmless from any claims and/or litigation and to drop any and all complaints with the Bureau. On or about September 2, 2017, R.P. withdrew her complaint with the Bureau.

CAUSE FOR ACCUSATION

(ONEIDA FALLS TRANSACTION)

10.

On or about April 4, 2017, R.P. and Sikes executed an Exclusive Residential Listing Agreement. On or about April 5, 2017, Sikes listed the Oneida Falls property on

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

1 "GEMLS" through the Bakersfield Association of Realtors for \$242,000.00. The listing
2 indicated that the commission to the sales office would be 2.5%.

3
4 11.

5 On or about April 8, 2017, R.P. and the buyers executed a Residential Purchase
6 Agreement with a purchase price of \$240,000.00, which was also signed by Sikes, on behalf of
7 her broker Pacific Baruna Corp and Respondent BETTES, on behalf of his broker Keller
8 Williams Realty, one of the fictitious names for Respondent SRPM. Paragraph 3(E) of the
9 Residential Purchase Agreement stated: "**ADDITIONAL FINANCING TERMS: Seller to
10 pay recurring and nonrecurring closing costs not to exceed 1.5%**" The escrow holder listed
11 on the Residential Purchase Agreement was Chicago Title Company and the escrow officer was
12 K.M. ("escrow"). This purchase was an all-cash transaction. According to Respondent COPE,
13 buyers obtained funds from family member B.V. Escrow was to close on or before April 25,
14 2017.

15 12.

16 On or about April 13, 2017, escrow provided buyers with an Estimated Buyer's
17 Statement showing a "seller credit" for \$3,600.00 (1.5% of purchase price).

18 13.

19 On or about April 23, 2017, Respondent BETTES contacted Sikes inquiring
20 whether R.P. would pay the full 1.5% as buyers needed the money to close the transaction.
21 According to Sikes, she told Respondent BETTES that seller will not pay the full 1.5% since
22 that is not the language in the Purchase Agreement.

23 14.

24 On or about April 24, 2017 at 3:35 p.m., escrow sent an email to Sikes and
25 Respondent BETTES and stated the following:

26 *Good afternoon,*

27 *Ok, I received the wire, however, the contract says a credit for recurring
and non-recurring closing costs not to exceed 1.5%, which is*

1 Paragraph 3(A)(2) was checked and stated "\$2000.00 above agreed upon commission, to be
2 paid to agent, Mike Bettes." According to the document, the buyers and Respondent BETTES
3 executed the agreement on April 8, 2017. According to Respondent BETTES' declaration
4 submitted to the Bureau and executed on August 30, 2017, the date on the agreement was
5 wrongly stated as April 8, 2017. The agreement was signed between April 25, 2017 and April
6 26, 2017. According to Respondent COPE, the agreement was not signed on April 8, 2017.

7
8 18.

9 On or about April 26, 2017 at 9:04 a.m., Respondent BETTES sent an email to
10 escrow with the signed Exclusive Buyer Representation Agreement attached. In response,
11 escrow acknowledged receipt and asked about the additional funds needed to close the
12 transaction. Respondent BETTES responded with the following:

13 *Hi Kat, Just curious why you can't credit the \$1855 to the final? I think
14 that would be the easiest for everyone?*

15 Escrows asked for clarification. Respondent BETTES responded with the following:

16 *This \$2000 broker agreement is toward the closing costs. Not sure why
17 you can't debit the seller in order to satisfy the shortage?*

18
19 19.

20 The Final Master Statement with a settlement date of April 26, 2017 and
21 disbursement date of April 26, 2017, lists a "seller debit" of \$3,538.39. Under "Miscellaneous
22 Charges," there is, among other closing costs, a "debit" from Buyer of \$2,000.00 for an
23 "Additional commission to Keller Williams Realty" and a "credit" to Buyer of \$1,855.00 for
24 "Agent Credit to Buyer." The fictitious \$2,000.00 commission paid from the buyers to
25 Respondent SRPM was included as closing costs. Unbeknownst to the seller, R.P. ultimately
26 paid an extra \$2,000.00 to satisfy the amount due from the buyers to close the transaction.

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1 (FRAUD OR DISHONEST DEALING)

2 20.

3 The conduct, acts and/or omissions of Respondents SRMP, COPE and BETTES,
4 as described in Paragraphs 10 through 19 above, constitute fraud or dishonest dealing and are
5 cause for the suspension or revocation of the license and license rights of Respondents SRMP,
6 COPE and BETTES under Section 10176(i) of the Code.

7 (MISREPRESENTATION)

8 21.

9 The conduct, acts and/or omissions of Respondents SRMP, COPE and BETTES,
10 as described in Paragraphs 10 through 19 above, constitute a substantial misrepresentation and
11 are cause for the suspension or revocation of the license and license rights of Respondents
12 SRMP, COPE and BETTES under Section 10176(a) of the Code.

13 (FAILURE TO SUPERVISE)

14 22.

15 Based on the conduct, acts and/or omissions of Respondents COPE and
16 BETTES, as described in Paragraphs 10 through 19 above, Respondent BANALES did not
17 exercise adequate supervision over the activities of Respondent SRMP's employees to ensure
18 compliance with the Real Estate Laws and Regulations in violation of Code sections 10177(h)
19 and 10159.2. Respondent BANALES failed to establish and/or implement policies, rules,
20 procedures and system to review, oversee, inspect and manage transactions requiring a real
21 estate in violation of Regulations section 2725.

22 23.

23 Each of the foregoing violations in Paragraph 10 through 19 above constitute
24 cause for the suspension or revocation of the real estate license and/or license rights of
25 Respondents SRMP, BANALES, BETTES, and COPE under the provisions of Sections
26 10177(d) and/or 10177(g).

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