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DEPARTMENT OF REAL ESTATE

By S. Krupp

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7
8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of:) NO. H-3242 FR
12)
13 PLATINUM COAST, INC.)
and BARBARA GODFREY,) ACCUSATION
14)
Respondents.)

15 The Complainant, BRENDA SMITH, in her official capacity as a Supervising
16 Special Investigator of the State of California, for cause of Accusation against PLATINUM
17 COAST, INC. ("PLATINUM") and BARBARA GODFREY ("GODFREY") (collectively referred
18 to as "Respondents"), is informed and alleges as follows:

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

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24 GODFREY is presently licensed and/or has license rights under the Real Estate Law,
25 Part 1 of Division 4 of the Code ("the Real Estate Law") as an individual real estate broker and, at
26 all relevant times, was the designated broker officer of PLATINUM.

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2 Whenever reference is made in an allegation in this Accusation to an act or omission
3 of PLATINUM, such allegation shall be deemed to mean that the employees, agents, real estate
4 licensees, and others employed by or associated with PLATINUM committed such act or omission
5 while engaged in furtherance of the business or operations of PLATINUM and while acting within
6 the course and scope of their authority and employment.

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

17 **COUNT ONE**
18 **AUDIT VIOLATIONS**

19 (As to Respondents PLATINUM and GODFREY)

20 Each and every allegation in paragraphs 1 through 4, inclusive, above, is
21 incorporated by this reference as if fully set forth herein.

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23 Beginning on or about August 5, 2018, and continuing until on or about August 24,
24 2018, the Department conducted an audit of the books and records related to the real estate activities
25 of Respondents at Respondents' business office located at 2565 Alluvial Ave., Suite 162, Clovis,
26 CA 93611. The auditor examined records for the period of May 1, 2017, to June 30, 2018 ("audit
27 period").

While acting as real estate brokers as described above in paragraph 4, and within the audit period, Respondents accepted or received funds in trust (“trust funds”) and deposited or caused the trust funds to be deposited into bank accounts maintained by Respondents, and thereafter, from time-to-time, Respondents made disbursements of said trust funds, identified as follows:

Trust Account #1

Bank Name: Wells Fargo
Account No.: Last 4 Digits: xxxxxx6265
Account Name: Platinum Coast, Inc. dba Real Property Management
Signatories: Barbara B. Godfrey and Brenda West
Purpose: Used to hold property owner funds for management of their properties.

In the course of the real estate broker activities described above in paragraph 4, and during the audit period, Respondents:

(a) caused, suffered, or permitted the balance of funds in Trust Account #1 to be reduced to an amount which, as of May 31, 2018, was approximately \$40,960.15 less than the aggregate liability of Trust Account #1 to all owners of such funds, without the prior written consent of each and every owner of such funds, in violation of Section 10145 of the Code, and Section 2832.1 of Chapter 6, Title 10, California Code of Regulations (“the Regulations”); and

(b) caused, permitted, and/or allowed the possible withdrawal of trust funds from the trust account by a person who was not licensed by the Department and not covered by a fidelity bond in violation of Section 2834 of the Regulations.

The acts and/or omissions of Respondents as alleged above in paragraph 8, constitute grounds for the suspension or revocation of all licenses and license rights of Respondents pursuant to the following provisions of the Code and Regulations:

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1 As to Paragraph 8(a), under Section 10177(d) and/or 10177(g) of the Code, in
2 conjunction with Section 10145 of the Code, and Section 2832.1 of the Regulations; and

3 As to Paragraph 8(b), under Section 10177(d) and/or 10177(g) of the Code, in
4 conjunction with Section 2834 of the Regulations;

5 **COUNT TWO**
6 **FAILURE TO SUPERVISE**
7 (As to Respondent GODFREY)

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9 Each and every allegation in Paragraphs 1 through 9, inclusive, above, is
10 incorporated by this reference as if fully set forth herein.

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12 GODFREY, as the designated officer of PLATINUM, was required to exercise
13 reasonable supervision and control over the activities of PLATINUM, its employees, and the real
14 estate activities being conducted by PLATINUM.

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16 GODFREY failed to exercise reasonable supervision over the acts and/or omissions
17 of PLATINUM and its employees, in such a manner as to allow the acts and/or omissions as
18 described above in Paragraph 8 of the First Cause of Action to occur, which constitutes cause for
19 the suspension or revocation of the license(s) and license rights of GODFREY under Sections
20 10177(d) and/or 10177(g), 10177(h), and 10159.2 of the Code, in conjunction with Section 2725 of
21 the Regulations.

22 **COST RECOVERY**

23 **Audit Costs**

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25 The acts and/or omissions of Respondents, as alleged above in the First Cause of
26 Action, entitle the Department to reimbursement of the costs of its audit pursuant to Section
27 10148(b) of the Code.

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1 Investigation and Enforcement Costs

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3 Section 10106 of the Code provides, in pertinent part, that in any order issued in
4 resolution of a disciplinary proceeding before the Department, the Commissioner may request the
5 Administrative Law Judge to direct a licensee found to have committed a violation of this part to
6 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

7 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of
8 this Accusation and that upon proof thereof, a decision be rendered revoking all licenses and license
9 rights of all Respondents named herein under the Real Estate Law, for the cost of investigation and
10 enforcement as permitted by law, for the cost of the audit as permitted by law, and for such other
11 and further relief as may be proper under other provisions of law.

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14 BRENDASMITH
15 Supervising Special Investigator

16 Dated at Fresno, California,
17 this 13 day of August, 2019.

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20 DISCOVERY DEMAND

21 Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the Department
22 of Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the
23 *Administrative Procedure Act*. Failure to provide Discovery to the Department of Real Estate may
24 result in the exclusion of witnesses and documents at the hearing or other sanctions that the Office
25 of Administrative Hearings deems appropriate.