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FILED

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DEPARTMENT OF REAL ESTATE
By B. Nicholas

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 PATRICIA JEAN JONES,) No. H-3344 FR
13 Respondent.) ACCUSATION
14

15 The Complainant, BRENDA SMITH, a Supervising Special Investigator of the
16 State of California, for cause of Accusation against PATRICIA JEAN JONES (Respondent), is
17 informed and alleges as follows:

18 PRELIMINARY ALLEGATIONS

19 1

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

22 2

23 Respondent is presently licensed and/or has license rights under the Real Estate
24 Law, Part 1 of Division 4 of the Business and Professions Code (Code).

25 3

26 At all times mentioned, Respondent was and is licensed by the Department as a
27 real estate broker.

1 4

2 At no time mentioned was Certified Property Management & Investment LLC
3 (CPMI LLC) licensed by the Department in any capacity. CPMI LLC was a limited liability
4 company registered in the State of California on or about March 12, 2019. CPMI LLC was
5 dissolved on or about June 20, 2019. Respondent was the manager of CPMI LLC.

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7 At all times mentioned after November 5, 2019, Community Property
8 Management Investments Inc. (CPMI Inc) was and is licensed by the Department as a real estate
9 broker corporation with Respondent as the Designated Officer. On or about September 17, 2019,
10 Articles of Incorporation for CPMI Inc. was filed with the California Secretary of State.

11 6

12 At all times mentioned, Respondent engaged in the business of, acted in the
13 capacity of, advertised, or assumed to act as a real estate broker within the State of California
14 within the meaning of Sections 10131(b) of the Code, including the operation and conduct of a
15 property management business with the public wherein, on behalf of others, for compensation or
16 in expectation of compensation, Respondent leased or rented and offered to lease or rent, and
17 solicited for prospective tenants of real property or improvements thereon, and collected rents
18 from real property or improvements thereon.

19 7

20 On or about November 13, 2019, through April 24, 2020, an audit was conducted
21 of the records of Respondent. The auditor herein examined the records for the period of April 1,
22 2019, through October 31, 2019.

23 FIRST CAUSE OF ACTION

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25 Each and every allegation in Paragraphs 1 through 7, inclusive, is incorporated by
26 this reference as if fully set forth herein.

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Within the last three years prior to November 5, 2019, Respondent in course of the property management brokerage activities described in Paragraph 6, while CPMI LLC was unlicensed, solicited prospective tenants for, negotiated rental agreements for and collected rents from real properties owned by another or others, including but not limited to the following:

<u>PROPERTY OWNER</u>	<u>PROPERTY LOCATION(S)</u>
13418 Livingston Trust UAD October 8, 2003	706, 710, 714, 718, & 722 Orchid Drive, Bakersfield
Ajay G.	516 Yellow Meadow Court, Bakersfield
FTSKCA, LLC	536 Yellow Meadow Court, Bakersfield
Wonder Properties Inc.	3112 Park Meadows Drive Unit A-5, Bakersfield 702 W. Day Avenue Unit A-D, Bakersfield 710 W. Day Avenue Unit A-D, Bakersfield

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In acting as described above, Respondent willfully caused, suffered, and/or permitted, CPMI LLC to willfully disregard Section 10130 of the Code.

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The facts alleged in the First Cause of Accusation are grounds for the suspension or revocation of Respondent's licenses and license rights pursuant to Section 10130 of the Code in conjunction with Section 10177(d) of the Code.

SECOND CAUSE OF ACTION

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Each and every allegation in Paragraphs 1 through 11, inclusive, is incorporated by this reference as if fully set forth herein.

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While acting as a real estate broker as described in Paragraph 6, Respondent accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in connection with the leasing, renting, and collection of rents on real property or improvements thereon, as alleged herein, and thereafter from time to time made disbursements of said trust funds.

The trust funds accepted or received by Respondent as described in Paragraph 6 were deposited or caused to be deposited by Respondent into trust accounts which were maintained by Respondent for the handling of trust funds, and thereafter from time-to-time Respondent made disbursements of said trust funds, identified as follows:

ACCOUNT # 1	
Bank Name and Location:	Bank of America 4480 Coffee Road Bakersfield, CA 93308
Account No.:	xxxxxxxx9205
Entitled:	Certified Property Management & Investment LLC North Meadow Acct

ACCOUNT # 2	
Bank Name and Location:	Bank of America 4480 Coffee Road Bakersfield, CA 93308
Account No.:	xxxxxxxx9195
Entitled:	Certified Property Management & Investment LLC Orchid Acct

ACCOUNT # 3	
Bank Name and Location:	Bank of America 4480 Coffee Road Bakersfield, CA 93308
Account No.:	xxxxxxxx9182
Entitled:	Certified Property Management & Investment LLC West Day Village Acct

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In the course of the activities described in Paragraph 6, Respondent:

(a) caused, suffered, or permitted the balance of funds in Account #1 to be reduced to an amount which, as of August 31, 2019, was approximately \$1,229.45 less than the aggregate liability of Account #1 in violation of Section 10145 of the Code and Section 2832.1 of Title 10 of the California Code of Regulations (Regulations);

(b) caused, suffered, or permitted the balance of funds in Account #2 to be reduced to an amount which, as of August 31, 2019, was approximately \$800.00 less than the aggregate liability of Account #2 in violation of Section 10145 of the Code and Section 2832.1 the Regulations;

(c) caused, suffered, or permitted the balance of funds in Account #3 to be reduced to an amount which, as of August 31, 2019, was approximately \$89.29 less than the aggregate liability of Account #3 in violation of Section 10145 of the Code and Section 2832.1 the Regulations;

(d) failed to deposit trust funds into one or more trust funds accounts in the name of Respondent as trustee at a bank or other financial institution, in conformance with Section 10145 of the Code and Section 2832 of the Regulations;

(e) failed to deposit trust funds collected within three business days for Account #1, 2, and 3 in conformance with Section 2832 of the Regulations;

1 (f) failed to maintain a written control record, for Account #1, of all trust
2 funds received and disbursed, containing all information required by Section 2831 of the
3 Regulations;

4 (g) failed to keep accurate separate records for each beneficiary or transaction,
5 accounting therein for all funds which were deposited into Account #1 containing all of the
6 information required by Section 2831.1 of the Regulations;

7 (h) failed to reconcile the balance of separate beneficiary or transaction
8 records with the control record of trust funds received and disbursed at least once a month, and/or
9 failed to maintain a record of such reconciliations for Account #1 as required by Section 2831.2
10 of the Regulations; and

11 (i) caused, permitted, and/or allowed, the possible withdrawal of trust
12 funds from Account #3, by Michael Hair, who was not licensed under Respondent and
13 not covered by an adequate fidelity bond in violation of Section 2834 of the Regulations.

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15 The acts and/or omissions of Respondent as alleged in the Second Cause of
16 Action constitute grounds for the suspension or revocation of all licenses and license rights of
17 Respondent, pursuant to the following provisions of the Code and Regulations:

18 As to Paragraphs 15(a), 15(b), and 15(c), under Sections 10177(d) and/or
19 10177(g) of the Code in conjunction with Section 10145 of the Code and Section 2832.1 of the
20 Regulations;

21 As to Paragraphs 15(d), and 15(e), under Sections 10177(d) and/or 10177(g) of
22 the Code in conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

23 As to Paragraph 15(f), under Sections 10177(d) and/or 10177(g) of the Code in
24 conjunction with Section 2831 of the Regulations;

25 As to Paragraph 15(g), under Sections 10177(d) and/or 10177(g) of the Code in
26 conjunction with Section 2831.1 of the Regulations;

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1 As to Paragraph 15(h), under Sections 10177(d) and/or 10177(g) of the Code in
2 conjunction with Section 2831.2 of the Regulation; and

3 As to Paragraph 15(i), under Sections 10177(d) and/or 10177(g) of the Code in
4 conjunction with Section 10145 of the Code and Section 2834 of the Regulations.

5 COST RECOVERY

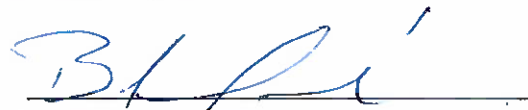
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7 The acts and/or omissions of Respondent as alleged above, entitle the Department
8 to reimbursement of the costs of its audit pursuant to Section 10148(b) (audit costs for trust fund
9 handling violation) of the Code.

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

15 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
16 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
17 action against all licenses and license rights of Respondent under the Code, for the cost of
18 investigation and enforcement as permitted by law, for the cost of the audit, and for such other
19 and further relief as may be proper under other provisions of law.

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21 BREND A SMITH
22 Supervising Special Investigator

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26 Dated at Fresno, California,
27 this 22 day of September, 2020

DISCOVERY DEMAND

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2 Pursuant to Sections 11507.6, *et seq.* of the *Government Code*, the Department of
3 Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the
4 *Administrative Procedure Act*. Failure to provide Discovery to the Department of Real Estate
5 may result in the exclusion of witnesses and documents at the hearing or other sanctions that the
6 Office of Administrative Hearings deems appropriate.
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