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FILED

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DEPARTMENT OF REAL ESTATE
By B. A. Cholas

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of:)

12 JASON R. ANDERSON, JAY ALAN GROVER,
and ANDREW JONATHAN DEAN)

13 Respondents.)

No. H -3360 FR

ACCUSATION

14
15 The Complainant, BRENDA SMITH, acting in her official capacity as a
16 Supervising Special Investigator of the State of California, for cause of Accusation against
17 JASON R. ANDERSON ("ANDERSON"), JAY ALAN GROVER ("GROVER") and
18 ANDREW JONATHAN DEAN ("DEAN") (collectively referred to herein as "Respondents"), is
19 informed and alleges as follows:

20 PRELIMINARY FACTS

21 1

22 ANDERSON is presently licensed and/or has license rights under the Real Estate
23 Law (Part 1 of Division 4 of the Business and Professions Code) ("Code") as a real estate broker.
24 At all relevant times, ANDERSON served as the broker of record for GROVER and DEAN.

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GROVER is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) ("Code") as a real estate salesperson.

3

DEAN is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) ("Code") as a real estate salesperson.

4

At no time relevant to this Accusation has Transworld Business Advisors been licensed by the Department of Real Estate ("Department") in any capacity.

5

At no time relevant to this Accusation has Tri-Valley Business Advisors been licensed by the Department in any capacity.

6

At no time relevant to this Accusation has Transworld Business Advisors of Tri-Valley been licensed by the Department in any capacity.

7

At no time relevant to this Accusation has Transworld Business Advisors, LLC been licensed by the Department in any capacity.

8

At all times mentioned herein, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate licensees, in the State of California, within the meaning of Section 10131(a) of the Code, including the operation and conduct of a real estate brokerage with the public, wherein, on behalf of others, for compensation or in expectation of compensation, Respondents sold and offered to sell, bought and offered to buy, solicited prospective sellers and purchasers of, solicited and obtained listings of, and negotiated the purchase and sale of business opportunities.

1
2 At all times herein mentioned, Transworld Business Advisors was and is a
3 business brokerage company headquartered in West Palm Beach, Florida, specializing in the
4 solicitation, negotiation and sale of businesses, mergers and acquisitions, and franchises.
5 Transworld Business Advisors operates throughout the United States, including California,
6 through its subsidiaries and/or partnership entities. At all relevant times, the Transworld
7 Business Advisors subsidiary and/or partnership entities operating in California are/were known
8 as Tri-Valley Business Advisors, Transworld Business Advisors of Tri-Valley, and/or
9 Transworld Business Advisors, LLC, and are/were located at 602 Lyell Drive, Suite A, Modesto,
10 California 95356. Transworld Business Advisors operates a website www.tworld.com where it
11 advertises business and franchises for sale for Transworld Business Advisors and/or Transworld
12 Business Advisors of Tri-Valley. At all relevant times GROVER was an owner of Tri-Valley
13 Business Advisors, Transworld Business Advisors of Tri-Valley, and/or Transworld Business
14 Advisors, LLC

15
16 Respondents are agents and/or employees of Transworld Business Advisors, Tri-
17 Valley Business Advisors, Transworld Business Advisors of Tri-Valley, and/or Transworld
18 Business Advisors, LLC. When a sale of a business opportunity is completed, Respondents
19 direct commission on the sale to Transworld Business Advisors of Tri-Valley and/or Tri-Valley
20 Business Advisors, who, in turn, made payments to the agents and/or employees involved in the
21 sale of the business opportunity.

22 TRANSACTIONS FOR THE PURCHASE/SALE OF BUSINESSES

23
24 In or about November 2019, while acting within the course of the business
25 brokerage activities described above in Paragraphs 8 through 10, DEAN and ANDERSON
26 represented the buyer and seller in the purchase and sale of a business known as "CTS Reporting
27 Inc." located in Fresno, California. Transworld Business Advisors and Transworld Business

1 Advisors of Tri-Valley were identified on a Corporate Resolution form, which was executed by
2 the sellers on November 13, 2019, as being eligible to receive a fee in the event of the purchase
3 and sale of the business.

4 12

5 On or about November 6, 2019, while acting within the course of the business
6 brokerage activities described above in Paragraphs 8 through 10, DEAN and ANDERSON
7 represented the buyer and seller in the purchase and sale of a business known as "RNAM
8 Corporation" located in Modesto, California. ANDERSON authorized the payment of \$11,155
9 in commission to be paid to Transworld Business Advisors of Tri-Valley and/or Tri-Valley
10 Business Advisors. DEAN accepted compensation for the real estate activities he performed in
11 the transaction from Transworld Business Advisors, Transworld Business Advisors of Tri-
12 Valley, and/or Tri Valley Business Advisors.

13 13

14 On or about February 15, 2020, while acting within the course of the business
15 brokerage activities described above in Paragraphs 8 through 10, DEAN and ANDERSON
16 represented the buyer and seller in the purchase and sale of a business known as "Don's Lifestyle
17 Fitness Inc." located in Stockton, California. In both the Buyer's and Seller's Closing
18 Agreements, Transworld Business Advisors was identified as the broker for both the buyers and
19 the sellers. ANDERSON authorized the payment of \$5,400 in commission to be paid to
20 Transworld Business Advisors of Tri-Valley and/or Tri-Valley Business Advisors. DEAN
21 accepted compensation for the real estate activities he performed in the transaction from
22 Transworld Business Advisors, Transworld Business Advisors of Tri-Valley, and/or Tri-Valley
23 Business Advisors.

24 14

25 On or about February 18, 2020, while acting within the course of the business
26 brokerage activities described above in Paragraphs 8 through 10, DEAN and ANDERSON
27 represented the buyer and seller in the purchase and sale of a business known as "Magic Cutz"

1 located in Tracy, California. In the Buyer's Closing Agreement, Transworld Business Advisors
2 was identified as the buyer's broker. In the Asset Purchase Agreement, Transworld Business
3 Advisors was identified as the broker for both the buyers and the sellers of the business.
4 ANDERSON authorized the payment of \$10,000 in commission to be paid to Transworld
5 Business Advisors of Tri-Valley and/or Tri-Valley Business Advisors. DEAN accepted
6 compensation for the real estate activities he performed in the transaction from Transworld
7 Business Advisors, Transworld Business Advisors of Tri-Valley, and/or Tri Valley Business
8 Advisors.

9 15

10 On or about February 21, 2020, while acting within the course of the business
11 brokerage activities described above in Paragraphs 8 through 10, DEAN and ANDERSON
12 represented the buyer and seller in the purchase and sale of a business known as "Hair Studio
13 Salon and Barber Shop" located in Stockton, California. In both the Buyer's and Seller's Closing
14 Agreements, Transworld Business Advisors was identified as the broker for both the buyers and
15 the sellers. ANDERSON authorized the payment of \$12,500 in commission to be paid to
16 Transworld Business Advisors of Tri-Valley and/or Tri-Valley Business Advisors. DEAN
17 accepted compensation for the real estate activities he performed in the transaction from
18 Transworld Business Advisors, Transworld Business Advisors of Tri-Valley, and/or Tri-Valley
19 Business Advisors.

20 16

21 On or about February 27, 2020, while acting within the course of the business
22 brokerage activities described above in Paragraphs 8 through 10, DEAN and ANDERSON
23 represented the buyer and seller in the purchase and sale of a business known as "Sadie's Salon"
24 located in Manteca, California. In both the Buyer's and Seller's Closing Agreements,
25 Transworld Business Advisors was identified as the broker for both the buyers and the sellers.
26 ANDERSON authorized the payment of \$18,000 in commission to be paid to Transworld
27 Business Advisors of Tri-Valley and/or Tri-Valley Business Advisors. DEAN accepted

1 compensation for the real estate activities he performed in the transaction from Transworld
2 Business Advisors, Transworld Business Advisors of Tri-Valley, and/or Tri-Valley Business
3 Advisors.

4 17

5 On or about June 2, 2020, while acting within the course of the business
6 brokerage activities described above in Paragraphs 8 through 10, ANDERSON and GROVER
7 represented the buyer and seller in the purchase and sale of a business known as "Hischier
8 Landscaping" located in Escalon, California. In both the Buyer's and Seller's Closing
9 Agreements, Transworld Business Advisors was identified as the broker for both the buyers and
10 the sellers. The Asset Purchase Agreement identified Transworld Business Advisors LLC as the
11 agent for both the buyer and the seller.

12 **FIRST CAUSE OF ACTION**
13 **UNLAWFUL COMPENSATION**
14 (As to Respondents ANDERSON and DEAN)

15 18

16 Each and every allegation set forth above in Paragraphs 1 through 17, inclusive, is
17 incorporated by this reference as if fully set forth herein.

18 19

19 Pursuant to Section 10137 of the Code, it is unlawful for a real estate broker to
20 retain or compensate, directly or indirectly, any person for performing licensed activity who is
21 not a real estate broker or a real estate licensee under the real estate broker. Section 10137 of the
22 Code further states that no real estate salesperson shall accept compensation for activity requiring
23 a real estate license from any person other than the broker under whom he or she is at the time
24 licensed.

25 20

26 In the transactions described above in paragraphs 12 through 16, ANDERSON
27 authorized the payment of commission to be paid to Transworld Business Advisors of Tri-Valley

1 and/or Tri-Valley Business Advisors for the real estate activities performed in the transaction, as
2 described above in Paragraphs 8 through 10.

3 21

4 In the transactions described above in paragraphs 12 through 16 DEAN, accepted
5 compensation from Transworld Business Advisors of Tri-Valley and/or Tri-Valley Business
6 Advisors for the real estate activities they performed, as described above in Paragraphs 8 through
7 10.

8 22

9 By committing the acts and/or omissions alleged above in Paragraphs 10 through
10 14, ANDERSON willfully violated Section 10137 of the code by compensating an unlicensed
11 entity.

12 23

13 By committing the acts and/or omissions alleged above in Paragraphs 10 through
14 15, DEAN willfully violated Section 10137 of the code for accepting compensation from an
15 entity other than his broker for licensed activity.

16 24

17 The facts alleged above in the Paragraphs 18 through 23 are grounds for the
18 suspension or revocation of license and license rights of ANDERSON and DEAN pursuant to
19 Section 10137 and/or 10138 of the Code in conjunction with Section 10177(d) of the Code.

20 **SECOND CAUSE OF ACTION**
21 **FALSE/MISLEADING ADVERTISING**
22 (As to all Respondents)

23 25

24 Each and every allegation in paragraphs 1 through 24, inclusive, above, is
25 incorporated by this reference as if fully set forth herein.

26 26

27 Pursuant to Section 10177(c), it is unlawful to knowingly authorize, direct, or aid
in the publication advertising, distribution, or circulation of a material false statement or

1 representation concerning their designation or certification of credential, trade organization
2 membership, or business, or concerning a business opportunity offered for sale.

3 27

4 As set out above in Paragraphs 11 and 13 through 17, Respondents'
5 representations, actions, and/or omissions in offered to sell, offered to buy, solicited prospective
6 sellers and purchasers of, solicited and obtained listings of, and/or negotiated the purchase and
7 resale of businesses through unlicensed entities Transworld Business Advisors, Transworld
8 Business Advisors of Tri-Valley and/or Transworld Business Advisors, LLC, constitutes false
9 and misleading advertising and/or the circulation of material false statements and
10 representations.

11 28

12 The acts and/or omissions of Respondents, as alleged above in Paragraphs 25
13 through 27, are grounds for the revocation or suspension of Respondents' real estate licenses and
14 license rights under Sections 10177(c) and 10177(d) of the Code.

15 **THIRD CAUSE OF ACTION**
16 **FICTITIOUS BUSINESS NAME VIOLATIONS**
17 (As to ANDERSON only)

18 29

19 Each and every allegation in paragraphs 1 through 28, inclusive, above, is
20 incorporated by this reference as if fully set forth herein.

21 30

22 Pursuant to Section 10159.5 of the Code, a real estate broker who desires to
23 conduct real estate related activity under a fictitious business name shall obtain approval from the
24 Department prior to conducting real estate related activity under the fictitious business name.

25 31

26 The acts and/or omissions of ANDERSON, as described above in Paragraphs 11
27 and 13 through 17, violated the fictitious business name requirements of 10159.5 and/or 10159.7
in that ANDERSON was not authorized to use "Transworld Business Advisors," "Transworld

1 Business Advisors of Tri-Valley” and/or “Transworld Business Advisors, LLC” in the
2 solicitation and/or the negotiation of the purchase and sale of businesses.

3 32

4 The acts and/or omissions of ANDERSON, as alleged above in Paragraphs 29
5 through 31, constitute grounds for the suspension or revocation of all licenses and license rights
6 of ANDERSON under Sections 10177(d), 10177(g), and/or 10159.5 of the Code.

7 **FOURTH CAUSE OF ACTION**
8 **FAILURE TO MAINTAIN RECORDS**
9 (As to ANDERSON only)

9 33

10 Each and every allegation in Paragraphs 1 through 32, inclusive, above, is
11 incorporated by this reference as if fully set forth herein.

12 34

13 Pursuant to Section 10148 of the Code, a broker shall retain for three years copies
14 of all listings, deposit receipts, canceled checks, trust records, and other documents executed by
15 him or her or obtained by him or her in connection with any transactions for which a real estate
16 broker license is required.

17 35

18 In the transactions described above in paragraphs 11 through 17, ANDERSON
19 failed to maintain a copy of the marketing agreement and/or representation agreement as between
20 the seller and Respondents as referenced in the Asset Purchase Agreements.

21 36

22 The facts alleged in the Paragraphs 33 through 35 are grounds for the suspension
23 or revocation of the license and license rights of ANDERSON pursuant to Section 10148 of the
24 Code in conjunction with Section 10177(d) of the Code.

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1 **FIFTH CAUSE OF ACTION**
2 **UNLICENSED BRANCH OFFICE**
3 (As to ANDERSON only)

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4 Each and every allegation in Paragraphs 1 through 36, inclusive, above, is
5 incorporated by this reference as if fully set forth herein.

6 38

7 Pursuant to Section 10163 of the Code, a real estate broker shall apply for and
8 obtain an additional license for each branch office maintained by him prior to performing real
9 estate brokerage business from a particular branch office location.

10 39

11 By performing real estate broker services described above in paragraphs 1 through
12 38 through a branch office located at 602 Lyell Drive, Suite A, Modesto, California 95356,
13 without first obtaining a branch office license for that address, ANDERSON violated Section
14 10163 of the Code.

15 40

16 The facts alleged in the Paragraphs 37 through 39 are grounds for the suspension
17 or revocation of the license and license rights of ANDERSON pursuant to Section 10163 of the
18 Code in conjunction with Section 10177(d) of the Code.

19 **SIXTH CAUSE OF ACTION**
20 **FAILURE TO SUPERVISE**
21 (As to ANDERSON only)

21 41

22 Each and every allegation in Paragraphs 1 through 40, inclusive, above, is
23 incorporated by this reference as if fully set forth herein.

24 42

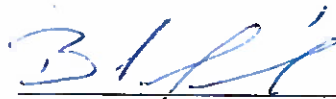
25 As the supervising broker of GROVER and DEAN, ANDERSON was required to
26 exercise reasonable supervision and control over the real estate activities of GROVER and
27 DEAN.

ANDERSON failed to exercise reasonable supervision over the acts and/or omissions of GROVER and DEAN in such a manner as to allow the acts and/or omissions, as described above in COUNT ONE and COUNT TWO of the Accusation to occur, which constitutes cause for the suspension or revocation of the license(s) and license rights of ANDERSON under Sections 10177(d) and/or 10177(g), 10177(h) and 10159.2 of the Code, in conjunction with Section 2725 of the Regulations.

COST RECOVERY

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

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered revoking all licenses, license rights, endorsements and endorsement rights of Respondent under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under other provisions of law.



BRENDA SMITH
Supervising Special Investigator

Dated at Fresno, California,
this 26 day of August, 2021.

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DISCOVERY DEMAND

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