

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

FIRST CAUSE OF ACTION
(Audit Violations)

Each and every allegation made in Paragraphs 1 through 3, inclusive, is incorporated by reference as if fully set forth herein.

From March 9, 2022, through April 7, 2022, the Department conducted an audit of the real estate activities of Respondent located at 650 Lighthouse Ave. Ste. 105, Pacific Grove, CA 92950. The Department’s auditor examined the business records of Respondent for the period of February 1, 2021, through January 31, 2022, (“audit period”).

While engaging in the real estate activities described above in Paragraph 3 and within the audit period, Respondent accepted or received funds in trust (“trust funds”) and deposited or caused the trust funds to be deposited into the following accounts:

Trust Account #1:

Bank Name: Pacific Valley Bank
P.O. Box 3648, Salinas, CA 93912
Account No.: Last 4 Digits: 2988
Account Name: Pacific Grove Property Management
Signatories: Respondent
Christopher Navarro (RES)
Description: Manage trust funds for multiple beneficiaries.

1 (c) Respondent failed to reconcile at least once a month comparing the balance
2 of all separate beneficiary records with the record of all trust funds received and disbursed for Trust
3 Account #2, in violation of Section 10145 of the Code and Section 2831.2 of the Regulations; and

4 (d) Respondent mixed broker funds with trust funds in Trust Accounts #1 and #2,
5 in violation of Section 10176(e) of the Code.

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7 The acts and/or omissions of Respondent, as described above in the FIRST CAUSE
8 OF ACTION, constitute grounds for discipline of her real estate broker license pursuant to Sections
9 10145, 10176(e), 10177(d) and 10177(g) of the Code, in conjunction with Sections 2831.1, 2831.2,
10 and 2832.1 of the Regulations.

11 SECOND CAUSE OF ACTION
12 **(Breach of Fiduciary Duties as to Respondent)**

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14 Each and every allegation made above in Paragraphs 1 through 8, inclusive, is
15 incorporated by this reference as if fully set forth herein.

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17 At all relevant times, while acting as a real estate agent, Respondent owed her
18 clients and/or beneficiaries those fiduciary duties that are inherit in a position of trust as created by
19 the agent/principal relationship, including, but not limited to the following duties: the duty of
20 reasonable care and skill, the duty of honesty, the duty of good faith and fair dealings, the duty of
21 loyalty, and duty of diligence.

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23 Respondent breached her fiduciary duties by engaging in the acts and/or omissions
24 described above in the FIRST CAUSE OF ACTION. Said acts were in violation of the real estate
25 statutes described above in Paragraph 8.

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