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DEPARTMENT OF REAL ESTATE
By J. Taggart

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 BEACHSIDE RENTALS, INC., and) No. H-3497 FR
13 TONI DELENA LEGRAS-PRICE,) ACCUSATION
14 Respondents.)

15 The Complainant, BRENDA SMITH, a Supervising Special Investigator
16 of the State of California, for Accusation against Respondents BEACHSIDE RENTALS, INC.
17 (BR) and TONI DELENA LEGRAS-PRICE (LEGRAS-PRICE), sometimes referred to as
18 Respondents, is informed and alleges as follows:

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20 The Complainant makes this Accusation against RESPONDENTS in her
21 official capacity.

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23 BR is presently licensed and/or has license rights with the Department of Real
24 Estate (Department) under the California Business and Professions Code (Code) as a corporate
25 real estate broker:

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2 LEGRAS-PRICE is currently licensed as a real estate broker and is the
3 designated officer of BR.

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5 At all times herein mentioned, RESPONDENTS engaged in the business of,
6 acted in the capacity of, advertised, or assumed to act as real estate broker within the State of
7 California within the meaning of Section 10131(b) of the Code, including the operation and
8 conduct of a property management business with the public wherein, on behalf of others, for
9 compensation or in expectation of compensation. RESPONDENTS leased or rented or offered
10 to lease or rent, or placed for rent, or solicited listings of places for rent, or solicited for
11 on a business opportunity, or collected rents from tenants.

12 FIRST CAUSE OF ACTION

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14 Complainant refers to Paragraphs 1 through 4, above, and incorporates the same
15 herein, by reference.

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17 Beginning on August 24, 2022, and continuing intermittently through October
18 10, 2022, an audit was conducted at RESPONDENT'S main office located on 151 Cayucos
19 Drive, Cayucos, California 93430, where the auditor examined records for the period of
20 January 1, 2021 through July 31, 2022 (the audit period).

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22 While acting as a real estate broker as described in Paragraph 3, above, and
23 within the audit period, RESPONDENTS accepted or received funds in trust (trust funds) from
24 or on behalf of property owners, lessees and others in connection with property management
25 activities, deposited or caused to be deposited those funds into bank accounts maintained by
26 RESPONDENTS, at Mechanics Bank, P.O. Box 6010, Santa Maria, California 93456, as
27 described below:

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BANK ACCOUNT #1	
Account No.:	XXXXXX5685
Entitled:	Beachside Rentals, Inc.

and thereafter from time to time made disbursement of said trust funds.

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In the course of the activities described in Paragraph 3, in connection with the collection and disbursement of trust funds, it was determined that:

- (a) RESPONDENTS failed to designate Bank Account #1 as a trust account as required by Section 2832 of Chapter 6, Title 10, California Code of Regulations (Regulations);
- (b) RESPONDENTS allowed Randall A. Davis, a person who was not licensed and did not have a surety bond to be a signatory on the trust account, in violation of Section 2834 of the Regulations;
- (c) During an accountability performed on Bank Account #1, and as of December 31, 2021, a shortage of \$21,398.55 was revealed, in violation of Section 10145 of the Code;
- (d) RESPONDENTS failed to obtain written permission from owners of trust funds in Bank Account #1 or Trust Account #1, to allow the balance to drop below accountability, in violation of Section 2832.1 of the Regulations;
- (e) RESPONDENTS failed to maintain control records for Bank Account #1 or Trust Account #1, as required by Section 2831 of the Regulations;

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The acts and/or omissions described above constitute violations of Sections 2831 (control records), 2832 (trust fund designation) 2832.1 (written permission balance below

1 accountability), and 2834 (trust fund withdrawals) of the Regulations and of Section 10145
2 (trust fund handling) of the Code and are grounds for discipline under Section 10177(d)
3 (willful disregard of real estate laws) and 10177(g) (negligence/incompetence licensee) of the
4 Code.

5 SECOND CAUSE OF ACTION

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7 Complainant refers to Paragraphs 1 through 9, above, and incorporates the same
8 herein by reference.

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10 At all times herein above mentioned, LEGRAS-PRICE was responsible, as the
11 supervising designated broker/officer for BR, for the supervision and control of the activities
12 conducted on behalf of BR's business by its employees to ensure its compliance with the Real
13 Estate Law and Regulations. LEGRAS-PRICE failed to exercise reasonable supervision and
14 control over the property management activities of BR. In particular, LEGRAS-PRICE
15 permitted, ratified and/or caused the conduct described above to occur, and failed to take
16 reasonable steps, including but not limited to, the handling of trust funds, supervision of
17 employees, and the implementation of policies, rules, and systems to ensure the compliance of
18 the business with the Real Estate Law and the Regulations.

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20 The above acts and/or omissions of LEGRAS-PRICE violate Section 2725
21 (broker supervision) of the Regulations and Section 10159.2 (responsibility/designated officer)
22 of the Code and constitute grounds for disciplinary action under the provisions of Sections
23 10177(d), 10177(g), and 10177(h) (broker supervision) of the Code.

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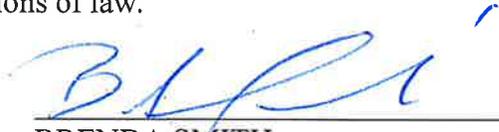
Audit Costs

The acts and/or omissions of RESPONDENT as alleged above, entitle the Department to reimbursement of the costs of its audits pursuant to Section 10148(b) (audit costs for trust fund handling violations) of the Code.

Costs of Investigation and Enforcement

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 imposing disciplinary action against all licenses and license rights of Respondents under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under other provisions of law.


BREND A SMITH
Supervising Special Investigator

Dated at Fresno, California,
this 15 day of May, 2023.

DISCOVERY DEMAND

The Department of Real Estate hereby requests discovery pursuant to Section 11507.6 of the California Government Code. Failure to provide discovery to the Department may result in the exclusion of witnesses and/or documents at the hearing, and other sanctions as the Administrative Law Judge deems appropriate.