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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) No. H-3597 FR
13 ELEMENTS INVESTMENTS PROPERTIES, INC.)
14 and CHRISTINE BRIDGHET MORRELL) FIRST AMENDED
15)
16 Respondents.) ACCUSATION
17)

18 The Complainant, RUBEN CORONADO, acting in his official capacity as a
19 Supervising Special Investigator of the State of California, for this Accusation against
20 ELEMENTS INVESTMENTS PROPERTIES, INC. ("EIP") and CHRISTINE BRIDGHET
21 MORRELL ("MORRELL"), sometimes collectively referred to as Respondents, is informed and
22 alleges as follows:

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24 EIP is presently licensed and/or has license rights under the Real Estate Law,
25 Part 1 of Division 4 of the Business and Professions Code ("Code"), by the Department of Real
26 Estate ("Department") as a corporate real estate broker.

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MORRELL is presently licensed and/or has license rights under the Code as a real
estate broker.

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2 At all times mentioned, MORRELL was the designated broker-officer of EIPI.
3 As the designated broker-officer, MORRELL was responsible, pursuant to Section 10159.2 of
4 the Code, for the supervision of the activities of officers, agents, real estate licensees and
5 employees of EIPI for which a real estate license is required to ensure the compliance of the
6 corporation with the Real Estate Law and the Regulations.

7 4

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

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18 Whenever acts referred to below are attributed to Respondents, those acts are
19 alleged to have been done by Respondents, acting by themselves, or by and/or through one or
20 more known or unknown agents, associates, and/or co-conspirators.

21 FIRST CAUSE OF ACTION

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23 Complainant refers to Paragraphs 1 through 5, above, and incorporates the same,
24 herein.

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26 On or about October 4, 2024, the Department completed its audit (OK230088) of
27 the books and records of EIPI's property management activities described above in Paragraph 4.

The auditor examined property management records for the period of June 29, 2022, through May 31, 2024 ("EIPi's audit period").

8

While acting as a real estate broker as described in Paragraph 4, above, and within EIPi's audit period, Respondents accepted or received funds in trust ("trust funds") from or on behalf of property owners, lessees and others in connection with property management activities, and deposited or caused to be deposited those funds into bank accounts maintained by Respondents at Bank of America, 320 San Benito Street, Hollister, CA 95023, as described below:

BANK ACCOUNT #1 ("B/A1")	
Account No.:	XXXXXXXXX5415
Entitled:	Elements Investment Properties Inc.
BANK ACCOUNT #2 ("B/A2")	
Account No.:	XXXXXXXXX3118
Entitled:	Elements Investment Properties Inc.
BANK ACCOUNT #3 ("B/A3")	
Account No.:	XXXXXXXXX3848
Entitled:	Elements Investment Properties Inc.
BANK ACCOUNT #4 ("B/A4")	
Account No.:	XXXXXXXXX3121
Entitled:	Elements Investment Properties Inc.

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

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In the course of the activities described in Paragraph 4, in connection with the collection and disbursement of trust funds, it was determined that:

- (a) An accountability was performed on account B/A1, and as of May 31, 2024, a shortage of \$71,226.99 was revealed in violation of Section 10145 (handling of trust funds) of the Code;
- (b) Respondents failed to obtain written permission from the owners of the trust funds in account B/A1 to allow the balances to drop below accountability, in violation of Section 2832.1 (trust fund handling for multiple beneficiaries) of Title 10, Chapter 6, California Code of Regulations (“Regulations”);
- (c) During EIPI’s audit period, B/A1, B/A2, B/A3, B/A4 were not designated as trust accounts in violation of Section 10145 of the Code and Section 2832 (trust fund handling) of the Regulations;
- (d) The separate records for B/A1 revealed that on March 18, 2024, broker’s funds totaling \$8,311.12 were maintained in B/A1 in violation of Sections 10145 and 10176(e) (commingling) of the Code and Section 2835 (commingling) of the Regulations;
- (e) Respondents failed to maintain an accurate and complete record of all trust funds received and paid out, a control record, for B/A1 and B/A4 in violation of Section 10145 of the Code and Section 2831 (trust fund records to be maintained) of the Regulations;
- (f) Respondents separate records for each beneficiary or transaction to account for all trust funds deposited and disbursed out of B/A1 were not accurate in violation of Section 10145 of the Code and Section 2831.1 (separate records for each beneficiary or transaction) of the Regulations;

1 (g) Respondents failed to perform and/or maintain records of monthly
2 reconciliations that compares the total balance of all separate
3 beneficiaries or transaction records with the balance of the record of
4 all trust funds received and disbursed for B/A1 in violation of Section
5 10145 of the Code and Section 2831.2 (trust account reconciliation) of
6 the Regulations.

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8 The act and/or omissions described above constitute violations of Sections
9 2831, 2831.1, 2831.2, 2832, 2832.1, and 2835 of the Regulations and Sections 10145 and
10 10176(e) of the Code and are grounds for discipline under the aforementioned Section
11 and/or Sections 10177(d) (willful disregard or violation of real estate laws), 10176(e),
12 and 10177(g) (negligence/incompetence) of the Code.

13 SECOND CAUSE OF ACTION

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15 Complainant refers to Paragraphs 1 through 10, above, and incorporates the
16 same, herein.

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18 At times mentioned above, MORRELL was responsible, as the supervising
19 designated broker/officer for EIPi, for the supervision and control of the activities conducted on
20 behalf of EIPi's business by its employees to ensure its compliance with the Real Estate Law
21 and Regulations. MORRELL failed to exercise reasonable supervision and control over the
22 property management activities of EIPi. In particular, MORRELL permitted, ratified and/or
23 caused the conduct described above to occur, and failed to take reasonable steps, including but
24 not limited to, the handling of trust funds, supervision of employees, and the implementation of
25 policies, rules, and systems to ensure compliance of the business with the Real Estate Law and
26 the Regulations.

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

THIRD CAUSE OF ACTION

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Complainant refers to Paragraphs 1 through 13, above, and incorporates the same, herein.

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On or about June 2, 2025, the Department completed its audit (OK2240001) of the books and records of MORRELL's property management activities described above in Paragraph 4. The auditor examined property management records for the period of August 1, 2023, through July 31, 2024 ("MORRELL's audit period").

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While acting as a real estate broker as described in Paragraph 4, above, and within MORRELL's audit period, MORRELL accepted or received trust funds from or on behalf of property owners, lessees and others in connection with property management activities, and deposited or caused to be deposited those funds into bank accounts maintained by MORRELL at Bank of America, 320 San Benito Street, Hollister, CA 95023, as described below:

BANK ACCOUNT #1 ("MB/A1")

Account No.:	XXXXXXXXX7354
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Entitled:	Morrell & Company Real Estate Investment
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BANK ACCOUNT #2 ("MB/A2")

Account No.:	XXXXXXXXX6657
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1	Entitled:	Morrell & Company Real Estate Investment
2	BANK ACCOUNT #3 ("MB/A3")	
3	Account No.:	XXXXXXXXX7906
4	Entitled:	Morrell & Company Real Estate Investment
5	BANK ACCOUNT #4 ("MB/A4")	
6	Account No.:	XXXXXXXXX5170
7	Entitled:	Morrell & Company Real Estate Investment
8	BANK ACCOUNT #4 ("MB/A5")	
9	Account No.:	XXXXXXXXX5016
10	Entitled:	Morrell & Company Real Estate Inv. Inc.
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12 and thereafter from time to time made disbursements of said trust funds.

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14 In the course of the activities described in Paragraph 4, in connection with the
15 collection and disbursement of trust funds, it was determined that:

- 16 (a) No adjusted bank balance and accountability could be performed for MB/A1,
17 MB/A2, MB/A3, MB/A4, and MB/A5 due to inaccurate and incomplete
18 accounting records in violation of Section 10145 of the Code and Section 2831
19 of the Regulations;
- 20 (b) During MORRELL's audit period, MORRELL used an unlicensed corporation
21 to perform property management activities and accepted trust funds into
22 MB/A5, an account owned by the unlicensed corporation, in violation of
23 Sections 10130 of the Code;
- 24 (c) MB/A1, MB/A2, MB/A3, MB/A4, and MB/A5 were not designated as trust
25 accounts in violation of Section 10145 of the Code and Section 2832 of the
26 Regulations;
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- 1 (d) The signature card for MB/5 listed an unlicensed employee as an authorized
2 signer without a fidelity bond or insurance in violation of Section 10145 of the
3 Code and Section 2834 of the Regulations;
- 4 (e) MORRELL failed to maintain accurate separate records for each beneficiary
5 or transaction to account for all trust funds which were deposited into and
6 disburse out of MB/A4 and MB/A5 in violation of Section 10145 of the Code
7 and Section 2831.1 of the Regulations;
- 8 (f) MORRELL failed to perform and/or maintain records of the required monthly
9 reconciliation that compares the total balance of all separate beneficiaries or
10 transaction records with the balance of the record of all trust funds received
11 and disbursed for MB/A4 and MB/A5 in violation of Section 10145 of the
12 Code and Section 2831.2 of the Regulations;
- 13 (g) MORRELL transferred trust funds from MB/A1, MB/A2, and MB/A4 without
14 the owner's consent for MORELL's personal use or in the form of excess
15 management fees in violation of Section 10176 (i) (fraud or dishonest dealing);
- 16 (h) MORRELL mixed trust funds an personal/business funds in MB/A5 in
17 violation of Sections 10145 and 10176(e) of the Code and Sections 2832 and
18 2835 of the Regulations;

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20 The act and/or omissions described above constitute violations of Sections
21 2831, 2831.1, 2831.2, 2832, 2834, and 2835 of the Regulations and Sections 10145,
22 10176(e), and 10176(i) of the Code and are grounds to discipline MORRELL's license
23 and license rights under the aforementioned Section and/or Sections 10177(d), 10176(e),
24 10176(i), and 10177(g) of the Code.

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1 COSTS OF INVESTIGATION AND ENFORCEMENT

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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
5 the Administrative Law Judge to direct a licensee found to have committed a violation of this
6 part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the
7 case.

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9 The acts and/or omissions of Respondents as alleged above, entitle the Department
10 to reimbursement of the costs of its audit pursuant to Section 10148(b) of the Code.

11 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
12 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
13 action against all licenses and license rights of Respondent under the Real Estate Law, for the
14 cost of investigation and enforcement as permitted by law, and for such other and further relief
15 as may be proper under other provisions of law.

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17 RUBEN CORONADO
18 Supervising Special Investigator

19 Dated at Fresno, California,
20 this 5th day of November, 2025.
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