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2 Department of Real Estate
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FILED

JUN 23 2020

DEPT. OF REAL ESTATE

By *Zui-ja*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H-05161 SD
12 JUSTIN CARL BRENNAN)
13 Respondent.)
14)

15 The Complainant, a Supervising Special Investigator of the State of California,
16 for cause of Accusation against Respondent JUSTIN CARL BRENNAN. ("Respondent"), is
17 informed and alleges as follows:

18 1.

19 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
20 State of California, makes this Accusation in her official capacity.

21 2.

22 All references to the "Code" are to the California Business and Professions Code
23 and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

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DRE LICENSE HISTORY

RESPONDENT JUSTIN CARL BRENNAN

3.

JUSTIN CARL BRENNAN ("BRENNAN") is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code as a real estate broker ("REB"), Department of Real Estate ("Department" or "DRE") license ID 01866398.

4.

BRENNAN was first licensed by the Department as a real estate salesperson ("RES") on or about July 28, 2009 and as a REB on or about August 24, 2009.

According to DRE records to date, BRENNAN has one (1) active DBA for Brenson Real Estate, active as of December 29, 2010; BRENNAN is the designated officer of record for Brenson Realty, Inc. (DRE license ID 01871739) and Brenson Co. Inc. (DRE license ID 10936347); and BRENNAN is a broker associate for Real Estate of the Pacific Inc (DRE license ID 01767484). Prior to his association with Real Estate of the Pacific Inc, BRENNAN was a broker associate for Prestige Properties Enterprises Inc. (DRE license ID 01940952).

5.

According to DRE records to date, BRENNAN's license will expire on August 23, 2021.

6.

At all times mentioned herein, Respondent BRENNAN engaged in the performance of activities requiring a real estate license pursuant to Code Section 10130, and acted and ordered, caused, authorized or participated in licensed activities within the meaning of Code Section 10131.

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7.

Harcourts Pacific LLC

Harcourts Pacific LLC (“Harcourts”) is not now, and has never been, licensed by the DRE in any capacity.

According to Harcourts’ Articles of Organization filed with the California Secretary of State, it was established as a limited liability company on or about June 7, 2010, ID #201016610059. According to Harcourts’ Statement of Information filed on September 21, 2015, Harcourts is located at 27372 Aliso Creek Road, Aliso Viejo, CA 92656 and its business type is “Real Estate Franchising [sic].”

FACTS DISCOVERED BY THE DEPARTMENT

3555 Steel Canyon Road, San Diego, California 91978 (“The Property”)

8.

Residential Listing Agreement (“RLA”)

On or about March 17, 2018, BRENNAN and seller Thair S. (“Seller”) executed a Residential Listing Agreement (“RLA”) in which Harcourts Prestige Properties (a DBA of Prestige Properties Enterprises Inc, DRE license ID 01940952) listed Seller’s property located at 3555 Steel Canyon Road, San Diego, California 91978 (“the property”) for sale on behalf of Seller. The RLA indicated that the listing period would commence on March 17, 2018 and terminate at 11:59 P.M. on June 30, 2018, and that the listing price would be “Bidding to start figure...subject to Harcourts Auctions Listing Agreements.” BRENNAN was listed as, and signed the RLA as the broker associate for Harcourts Prestige Properties.

9.

Agreement to Employ Harcourts Pacific LLC as Auctioneer

On or about March 31, 2018, Seller signed an agreement on the letterhead of Harcourts Auctions entitled “Agreement to Employ Harcourts Pacific LLC As Auctioneer” (“Auction Agreement”) wherein Seller agreed to employ Harcourts Pacific LLC as “Auctioneer”

1 to sell, before auction and at public auction the property on April 19, 2018 at 6:00 PM with a
2 starting bid of \$500,000. In the section of the Auction Agreement titled Final Sale, it was
3 indicated that, "Seller displays intent to sell the property no less [sic] than \$585,000, and that
4 Auctioneer shall receive and Listing Agent (BRENNAN/Harcourts Prestige Properties) shall
5 pay, (0.5%) of the total amount realized from the sale. Additionally, Seller signed a form
6 authorizing his credit card to be charged \$250.00 for the "Auction Administration Fee."

7 10.

8 Residential Purchase Agreement ("Offer")

9 On April 23, 2018, at 7:39 A.M., buyers Christopher and Penny D. ("Buyers")
10 electronically signed at 7:39 A.M. a Residential Purchase Agreement ("Offer") to purchase the
11 property for \$515,000. The offer listed Harcourts Pretige [sic] Properties as the firm for both
12 Buyers and Seller, with BRENNAN listed as the agent for both. Also on April 23, 2018 a
13 "Disclosure Regarding Real Estate Agency Relationship" was electronically signed by Buyers,
14 BRENNAN and Seller.

15 11.

16 BRENNAN'S E-mail Regarding Buyers' Price

17 On April 24, 2018, at 5:38 P.M., Buyers e-mailed BRENNAN and asked, "I do
18 not even know how close I may be, do you have a recommendation on what we should submit on
19 price?" On the same day, at 6:53 P.M., BRENNAN responded to Buyers' email with, "Thanks
20 Penny I believe in order to stop the auction the offer is going to have to increase into the 560s
21 without a buy side commission."

22 12.

23 Addendum 1 - First Version as signed by Buyers on April 26, 2018

24 On April 26, 2018, at 12:06 P.M., Buyers electronically signed Addendum 1,
25 which included three (3) terms to be made part of the Buyers' Offer: "1) Price to be \$561,000; 2)
26 2.5% buyers [sic] commission is to go to sellers towards purchase price of home; and 3) escrow
27

DRE ACCUSATION - JUSTIN CARL BRENNAN

1 to be 40 days.” At the time the Buyers electronically signed Addendum 1, Seller had not signed
2 it.

3 13.

4 RPA Signed by Seller on May 4, 2018

5 On May 4, 2018, Seller signed the offer submitted by Buyers dated April 23,
6 2018. In the section for “Acceptance of Offer,” the box was checked for “(If checked)
7 SELLER’S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form
8 SCO or SMCO) DATED: Addm 1.”

9 14.

10 Addendum 1 - Second Version signed by Seller on May 4, 2018

11 On May 4, 2018, Seller also signed Addendum 1; however, the version (“second
12 version”) that Seller signed included handwritten language that added two (2) additional terms:
13 “4) Inspection contingency to be 10 days. All items on Seller provided inspection report are
14 disclosed. Only new additional items may be negotiated. 5) Buyer has reviewed all disclosures
15 and inspections provided.” BRENNAN e-mailed the second version, with an e-mail message,
16 “Hello Penny, congratulations. Here is the contract. Let me know if you have any
17 questions. I’ll just need you to acknowledge receipt and ok with the ADDM 1 since we wrote in
18 some language...” Buyers requested that the additional items 4) and 5) be removed from the
19 [second version of the] Addendum as the terms were added subsequent to their April 26, 2018
20 signatures.

21 15.

22 Addendum 1 - Third Version signed by BRENNAN on behalf of Seller on May 7, 2018

23 According to the DocuSign certificate of completion, BRENNAN signed the
24 Addendum again (without the handwritten additions) on behalf of Seller, via electronic signature
25 on May 7, 2018 at 5:59 P.M.

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27 DRE ACCUSATION – JUSTIN CARL BRENNAN

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16.

Buyer's May 7, 2018 Acknowledgement of Offer Acceptance

On May 7, 2018, when BRENNAN emailed Buyer (who is a DRE licensee) that it may be to her benefit to represent herself in the transaction, Buyer replied that, "We have an accepted contract with the addendum #1 being cleaned up as you stated. There is no need to write another contract. All we need to do is move forward with transaction..."

17.

Addendum 1 - Fourth Version sent from BRENNAN to
USA Veterans Real Estate and Mortgage Company

On May 25, 2018, BRENNAN emailed Buyers' lender, Bryan Evers, Mortgage Broker for USA Veterans Real Estate and Mortgage Company with another version of Addendum 1. The version of Addendum 1 received by Evers bore the same electronic signatures for Buyers (4/26/18) and Seller (5/7/18) and included the following terms: "1) Price to be \$561,000. 2) Escrow to be 40 days." The term regarding commission, previously numbered as 2) no longer appeared on the Addendum. According to Buyer Penny D., no authority was given to BRENNAN to alter the Addendum for a fourth version.

18.

Addendum 1 - Final Version signed by Buyer

Ultimately, on May 30, 2018, Buyers signed Addendum 3 which stated that, "Buyer is a CA licensed real estate agent. Buyers Agent's commission is zero percent," thus removing the 2.5% buyer's commission."

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1 collects rents from real property, or improvements thereon, or from business
2 opportunities.

3 (c) Assists or offers to assist in filing an application for the purchase or lease of,
4 or in locating or entering upon, lands owned by the state or federal government.

5 (d) Solicits borrowers or lenders for or negotiates loans or collects payments or
6 performs services for borrowers or lenders or note owners in connection with
7 loans secured directly or collaterally by liens on real property or on a business
8 opportunity.

9 (e) Sells or offers to sell, buys or offers to buy, or exchanges or offers to exchange
10 a real property sales contract, or a promissory note secured directly or collaterally
11 by a lien on real property or on a business opportunity, and performs services for
12 the holders thereof.”

13 21.

14 Pursuant to Code Section 10132 *Salesperson Defined*, “A real estate salesperson
15 within the meaning of this part is a natural person who, for a compensation or in expectation of a
16 compensation, is employed by a licensed real estate broker to do one or more of the acts set forth
17 in Sections 10131, 10131.1, 10131.2, 10131.3, 10131.4, and 10131.6.”

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DRE ACCUSATION – JUSTIN CARL BRENNAN

1 **VIOLATIONS OF THE REAL ESTATE LAW – CAUSES FOR DISCIPLINE**

2 24.

3
4 Complainant re-alleges and incorporates by reference the preceding paragraphs as
5 set forth herein.

6 25.

7 In the course of the activities described above, and based on the facts discovered
8 by the Department, also described above, the acts and/or omissions of Respondent **JUSTIN**
9 **CARL BRENNAN** are in violation of **Code Section 10130 for operating under an unlicensed**
10 **DBA (“Harcourts Pacific LLC”), and Code Section 10176(i) and Code Section 10177(j) for**
11 **dishonest dealing in submission of unauthorized Addendums altered subsequent to**
12 **signature execution**, and constitute cause for the suspension or revocation of all licenses and
13 license rights Respondent **JUSTIN CARL BRENNAN** under the Real Estate Law.

14 **COSTS**

15 26.

16 Code Section 10106 provides, in pertinent part that in any order issued in
17 resolution of a disciplinary proceeding before the Department, the Commissioner may request
18 the administrative law judge to direct a licensee found to have committed a violation of this part
19 to pay a sum not to exceed the reasonable costs of investigation and enforcement of the case.

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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against all the licenses and license rights of Respondent JUSTIN CARL BRENNAN,
4 under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for
5 such other and further relief as may be proper under other applicable provisions of law.

6 Dated at Los Angeles, California

7 this 28 day of May 2020.

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11 
12 Veronica Kilpatrick
13 Supervising Special Investigator
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16 cc: JUSTIN CARL BRENNAN
17 Real Estate of the Pacific Inc
18 M. Suarez
19 Sacto.
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