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2 Department of Real Estate
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FILED

JAN 28 2021

DEPT. OF REAL ESTATE

By Jim J

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.)	FIRST AMENDED
)	ACCUSATION

15 *The Accusation filed on June 23, 2020 is amended in its entirety as follows:*

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

19 1.

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

22 2.

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

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27 DRE FIRST AMENDED ACCUSATION – JUSTIN CARL BRENNAN

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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 Co. Inc. (DRE license ID 10936347); and BRENNAN is a broker associate for eXp Realty of California, Inc. (DRE license ID 01878277). 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 FIRST AMENDED 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
4 13.

5 RPA Signed by Seller on May 4, 2018

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

10 14.

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

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

22 15.

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

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

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Grounds for Revocation or Suspension – Code Section 10176

22.

Pursuant to Code Section 10176, “The commissioner may, upon his or her own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any person engaged in the business or acting in the capacity of a real estate licensee within this state, and he or she may temporarily suspend or permanently revoke a real estate license at any time where the licensee, while a real estate licensee, in performing or attempting to perform any of the acts within the scope of this chapter has been guilty of any of the following:

(a) Making any substantial misrepresentation.

...

(i) Any other conduct, whether of the same or of a different character than specified in this section, which constitutes fraud or dishonest dealing...”

Further Grounds for Disciplinary Action – Code Section 10177

23.

Pursuant to Code Section 10177, “The commissioner may suspend or revoke the license of a real estate licensee, delay the renewal of a license of a real estate licensee, or deny the issuance of a license to an applicant, who has done any of the following:

...

(d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law and Chapter 1 (commencing with Section 11000) of Part 2.

...

(j) Engaged in any other conduct, whether of the same or of a different character than specified in this section, that constitutes fraud or dishonest dealing...”

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 10176(i) and Code Section 10177(j) for**
10 **dishonest dealing in submission of unauthorized Addendums altered subsequent to**
11 **signature execution, and constitute cause for the suspension or revocation of all licenses and**
12 **license rights Respondent JUSTIN CARL BRENNAN under the Real Estate Law.**

13 COSTS

14 26.

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

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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 the licenses and license rights of Respondent JUSTIN CARL BRENNAN 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 applicable provisions of law.

Dated at San Diego, California
this 26 day of January 2021.

Veronica Kilpatrick

Veronica Kilpatrick
Supervising Special Investigator

cc: JUSTIN CARL BRENNAN
eXp Realty of California, Inc.
V. Kilpatrick
Sacto.