

1 Julie L. To (SBN 219482)  
2 Department of Real Estate  
3 320 West 4th Street, Suite. 350  
4 Los Angeles, California 90013-1105  
5 (213) 576-6982 (office)  
6 (213) 576-6916 (direct).  
7 julie.to@dre.ca.gov  
8 *Counsel for Complainant*

**FILED**

**JUN 15 2021**

**DEPT. OF REAL ESTATE**

By *[Signature]*

9 BEFORE THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Accusation of ) No. H-05179 SD  
13 )  
14 GINA CHAMPION-CAIN, ) ACCUSATION  
15 )  
16 Respondent. )

17 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
18 State of California, for cause of Accusation against GINA CHAMPION-CAIN f.k.a. Gina  
19 Maria Champion ("Respondent") alleges as follows:

20 1.

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

23 DRE LICENSE HISTORY

24 2.

25 Respondent is presently licensed and/or has license rights under the Real Estate  
26 Law, Part 1 of Division 4 of the California Business and Professions Code ("Code") as a real  
27

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1 estate broker ("REB") Department of Real Estate ("Department" or "DRE") license ID  
2 01069261.

3 3.

4 Respondent was first issued a real estate salesperson ("RES") license by the  
5 DRE on or about March 23, 1990 and a REB license on or about November 15, 1993.

6 4.

7 Indefinite Suspension of REB

8 License

9 On or about October 19, 2021, Respondent's REB license was suspended  
10 indefinitely pursuant to Code Section 10177(b)(2) for her guilty plea to the charges contained  
11 in the Information in United States of America v. Gina Champion-Cain, United States District  
12 Court (Southern District of California) Case No. 20cr02115-LAB, which charged Respondent  
13 with securities fraud (15 U.S.C. §§ 77q and 77x); obstruction of justice (18 U.S.C. §1505); and  
14 conspiracy to commit securities fraud and obstruct justice (18 U.S.C. §371), crimes which are  
15 substantially related to the qualifications, functions, or duties of a real estate licensee pursuant  
16 to Code Section 10177(b)(1).

17 5.

18 According to DRE records to date, Respondent's REB license will expire on  
19 May 15, 2022.

20 CRIMINAL CONVICTION

21 6.

22 Case No. 20cr02115-LAB

23 (15 U.S.C. §§ 77q and 77x; 18 U.S.C. §1505; and 18 U.S.C. §371)

24 On or about March 31, 2021, in United States of America v. Gina Champion-  
25 Cain, United States District Court (Southern District of California) Case No. 20cr02115-LAB

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1 (filed July 22, 2020), upon Respondent's July 22, 2020 guilty plea to violations of 15 U.S.C. §§  
2 77q and 77x; 188 U.S.C. §1505; and 18 U.S.C. §371, Respondent was sentenced to sixty (60)  
3 months in the custody of the Federal Bureau of Prisons and ordered to pay a monetary  
4 assessment of \$100.00 per count for a total of \$300.00. In addition, the court ordered that  
5 Respondent be under supervised release for three (3) years upon her release from  
6 imprisonment.

7 7.

8 NON-REPORT OF INFORMATION TO THE DRE

9 Respondent did not report in writing to the Department, the aforementioned  
10 Information in Case No. No.20cr02115-LAB, as described above in Paragraph 4, within thirty  
11 (30) days of said Information on July 22, 2020.

12 8.

13 NON-REPORT OF CONVICTION TO THE DRE

14 Respondent did not report in writing to the Department, the aforementioned  
15 guilty plea in Case No. Case No. No.20cr02115-LAB, as described above in Paragraph 4,  
16 within thirty (30) days of the plea on July 22, 2020.

17 APPLICABLE SECTIONS OF THE REAL ESTATE LAW

18 9.

19 Code Section 490

20 Pursuant to Code Section 490 *Conviction of Crime – Relationship of Crime to*  
21 *Licensed Activity:*

22 “(a) In addition to any other action that a board is permitted to take against a  
23 licensee, a board may suspend or revoke a license on the ground that the licensee has been  
24 convicted of a crime, if the crime is substantially related to the qualifications, functions, or  
25 duties of the business or profession for which the license was issued.

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1 (b) Notwithstanding any other provision of law, a board may exercise any  
2 authority to discipline a licensee for conviction of a crime that is independent of the authority  
3 granted under subdivision (a) only if the crime is substantially related to the qualifications,  
4 functions, or duties of the business or profession for which the licensee's license was issued.

5 (c) A conviction within the meaning of this section means a plea or verdict of  
6 guilty or a conviction following a plea of nolo contendere. An action that a board is permitted  
7 to take following the establishment of a conviction may be taken when the time for appeal has  
8 elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting  
9 probation is made suspending the imposition of sentence, irrespective of a subsequent order  
10 under Section 1203.4 of the Penal Code.

11 (d) The Legislature hereby finds and declares that the application of this section  
12 has been made unclear by the holding in *Petropoulos v. Department of Real Estate* (2006) 142  
13 Cal.App.4th 554, and that the holding in that case has placed a significant number of statutes  
14 and regulations in question, resulting in potential harm to the consumers of California from  
15 licensees who have been convicted of crimes. Therefore, the Legislature finds and declares that  
16 this section establishes an independent basis for a board to impose discipline upon a licensee,  
17 and that the amendments to this section made by Chapter 33 of the Statutes of 2008 do not  
18 constitute a change to, but rather are declaratory of, existing law.”

19  
20 10.

21 Regulation 2910

22 Pursuant to Regulation 2910 *Criteria of Substantial Relationship:*

23 Pursuant to Regulation 2910 *Criteria of Substantial Relationship:*

24 “(a) When considering whether a license should be denied, suspended or  
25 revoked on the basis of the conviction of a crime, or on the basis of an act described in Section  
26 480(a)(2) or 480(a)(3) of the Code, the crime or act shall be deemed to be substantially related

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1 to the qualifications, functions or duties of a licensee of the Bureau within the meaning of  
2 Sections 480 and 490 of the Code if it involves:

3 (1) The fraudulent taking, obtaining, appropriating or retaining of funds  
4 or property belonging to another person.

5 (2) Counterfeiting, forging or altering of an instrument or the uttering of  
6 a false statement.

7 (3) Willfully attempting to derive a personal financial benefit through the  
8 nonpayment or underpayment of taxes, assessments or levies duly  
9 imposed upon the licensee or applicant by federal, state, or local  
10 government.

11 (4) The employment of bribery, fraud, deceit, falsehood or  
12 misrepresentation to achieve an end.

13 (5) Sexually related conduct affecting a person who is an observer or  
14 non-consenting participant in the conduct or convictions which require  
15 registration pursuant to the provisions of Section 290 of the Penal Code.

16 (6) Willfully violating or failing to comply with a provision of Division 4  
17 of the Business and Professions Code of the State of California.

18 (7) Willfully violating or failing to comply with a statutory requirement  
19 that a license, permit or other entitlement be obtained from a duly  
20 constituted public authority before engaging in a business or course of  
21 conduct.

22 (8) Doing of any unlawful act with the intent of conferring a financial or  
23 economic benefit upon the perpetrator or with the intent or threat of  
24 doing substantial injury to the person or property of another.

25 (9) Contempt of court or willful failure to comply with a court order.  
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(10) Conduct which demonstrates a pattern of repeated and willful disregard of law.

(11) Two or more convictions involving the consumption or use of alcohol or drugs when at least one of the convictions involve driving and the use or consumption of alcohol or drugs.

(b) The conviction of a crime constituting an attempt, solicitation or conspiracy to commit any of the above enumerated acts or omissions is also deemed to be substantially related to the qualifications, functions or duties of a licensee of the department.

(c) If the crime or act is substantially related to the qualifications, functions or duties of a licensee of the department, the context in which the crime or acts were committed shall go only to the question of the weight to be accorded to the crime or acts in considering the action to be taken with respect to the applicant or licensee.”

11.

Code Section 10177

(selected portions)

Pursuant to Code Section 10177 *Further Grounds for Disciplinary Action:*

“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, or may suspend or revoke the license of a corporation, delay the renewal of a license of a corporation, or deny the issuance of a license to a corporation, if an officer, director, or person owning or controlling 10 percent or more of the corporation’s stock has done any of the following:

(a) Procured, or attempted to procure, a real estate license or license renewal, for themselves or a salesperson, by fraud, misrepresentation, or

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deceit, or by making a material misstatement of fact in an application for a real estate license, license renewal, or reinstatement.

(b) (1) Entered a plea of guilty or no contest to, or been found guilty of, or been convicted of, a felony, or a crime substantially related to the qualifications, functions, or duties of a real estate licensee, and the time for appeal has elapsed or the judgment of conviction has been affirmed on appeal, irrespective of an order granting probation following that conviction, suspending the imposition of sentence, or of a subsequent order under Section 1203.4 of the Penal Code allowing that licensee to withdraw that licensee's plea of guilty and to enter a plea of not guilty, or dismissing the accusation or information.

(2) Notwithstanding paragraph (1), and with the recognition that sentencing may not occur for months or years following the entry of a guilty plea, the commissioner may suspend the license of a real estate licensee upon the entry by the licensee of a guilty plea to any of the crimes described in paragraph (1). If the guilty plea is withdrawn, the suspension shall be rescinded and the license reinstated to its status prior to the suspension. The department shall notify a person whose license is subject to suspension pursuant to this paragraph of that person's right to have the issue of the suspension heard in accordance with Section 10100..."

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Code Section 10186.2

Pursuant to Code Section 10186.2 *Reporting of Convictions, Indictments and License Disciplinary Actions:*

“(a) (1) A licensee shall report any of the following to the department:

(A) The bringing of a criminal complaint, information, or indictment charging a felony against the licensee.

(B) The conviction of the licensee, including any verdict of guilty, or plea of guilty or no contest, of any felony or misdemeanor.

(C) Any disciplinary action taken by another licensing entity or authority of this state or of another state or an agency of the federal government.

(2) The report required by this subdivision shall be made in writing within 30 days of the date of the bringing of the indictment or the charging of a felony, the conviction, or the disciplinary action.

(b) Failure to make a report required by this section shall constitute a cause for discipline.”

Code Section 10106

(Costs)

Pursuant to Code Section 10106 *Cost Recovery of Investigations:*

“(a) Except as otherwise provided by law, 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.

(b) In the case of a disciplined licensee that is a corporation or a partnership, the order may be made against the licensed corporate entity or licensed partnership.



1 (c) A certified copy of the actual costs, or a good faith estimate of costs where  
2 actual costs are not available, signed by the commissioner or the commissioner's designated  
3 representative, shall be prima facie evidence of reasonable costs of investigation and  
4 prosecution of the case. The costs shall include the amount of investigative and enforcement  
5 costs up to the date of the hearing, including, but not limited to, charges imposed by the  
6 Attorney General.

7 (d) The administrative law judge shall make a proposed finding of the amount of  
8 reasonable costs of investigation and prosecution of the case when requested pursuant to  
9 subdivision (a). The finding of the administrative law judge with regard to costs shall not be  
10 reviewable by the commissioner to increase the cost award. The commissioner may reduce or  
11 eliminate the cost award, or remand to the administrative law judge where the proposed  
12 decision fails to make a finding on costs requested pursuant to subdivision (a).

13 (e) Where an order for recovery of costs is made and timely payment is not  
14 made as directed in the commissioner's decision, the commissioner may enforce the order for  
15 repayment in any appropriate court. This right of enforcement shall be in addition to any other  
16 rights the commissioner may have as to any licentiate to pay costs.

17 (f) In any action for recovery of costs, proof of the commissioner's decision  
18 shall be conclusive proof of the validity of the order of payment and the terms for payment.

19 (g) (1) Except as provided in paragraph (2), the department shall not renew or  
20 reinstate the license of any licensee who has failed to pay all of the costs ordered under this  
21 section.

22 (2) The department may, in its discretion, conditionally renew or reinstate  
23 for a maximum of one year the license of any licensee who demonstrates  
24 financial hardship and who enters into a formal agreement with the  
25 department to reimburse the department within that one-year period for the  
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1 unpaid costs.

2 (h) All costs recovered under this section shall be considered a reimbursement  
3 for costs incurred and shall be deposited in the Real Estate Fund to be available,  
4 notwithstanding Section 10451, upon appropriation by the Legislature.

5 (i) Nothing in this section shall preclude the department from including the  
6 recovery of the costs of investigation and enforcement of a case in any stipulated settlement.

7 FIRST CAUSE FOR DISCIPLINE  
8 (SUBSTANTIALLY RELATED CRIME)

9 14.

10 The crimes of which Respondent was convicted, as described above in Case No.  
11 No.20cr02115-LAB, by their facts and circumstances, bear a substantial relationship under  
12 Section 2910, Title 10, Chapter 6, California Code of Regulations to the qualifications,  
13 functions or duties of a real estate licensee.

14 15.

15 The crimes of which Respondent was convicted, as described above in Case No.  
16 No.20cr02115-LAB, constitute cause under **Code Sections 490 and 10177(b)** for the  
17 suspension or revocation of Respondent's REB license and license rights under the Real Estate  
18 Law.

19 SECOND CAUSE FOR DISCIPLINE  
20 (FAILURES TO REPORT)

21 16.

22 Respondent's failure to report the Information in Case No. No.20cr02115-LAB  
23 constitutes cause for discipline under **Code Section 10186.2** of the REB license and license  
24 rights of Respondent under the Real Estate Law.

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17.

Respondent's failure to report the criminal conviction in Case No. No.20cr02115-LAB constitutes cause for discipline under **Code Section 10186.2** of the REB license and license rights of Respondent under the Real Estate Law.

COSTS

18.

**Code Section 10106** provides, in pertinent part that in any order issued in resolution of a disciplinary proceeding before the Bureau, 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 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/or license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) of Respondent GINA CHAMPION-CAIN, for the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under applicable provisions of law.

Dated at San Diego, California

this 10 day of June, 2021.

  
\_\_\_\_\_  
Veronica Kilpatrick  
Supervising Special Investigator

cc: Gina Champion-Cain  
Enf. – V. Kilpatrick  
Sacto.

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