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**FILED**

**NOV 19 2020**

**DEPT. OF REAL ESTATE**

By *[Signature]*

7  
8 **BEFORE THE DEPARTMENT OF REAL ESTATE**  
9 **STATE OF CALIFORNIA**

10 \* \* \*

11 In the Matter of the Accusation of	)	No. H- 05183 SD
12 ALLIANCE COMMUNITIES, INC.; and	)	
13 BRADLEY DALE MISHLER,	)	
14 individually and as former designated	)	<u>ACCUSATION</u>
15 officer of Alliance Communities, Inc.,	)	
16 Respondents.	)	

17 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
18 State of California, acting in her official capacity, for cause of Accusation against ALLIANCE  
19 COMMUNITIES, INC. ("ACI") and BRADLEY DALE MISHLER ("MISHLER"),  
20 individually and as former designated officer of Alliance Communities, Inc., is informed and  
21 alleges as follows:

22 1.

23 The Complainant, Veronica Kilpatrick, acting in her official capacity as  
24 Supervising Special Investigator of the State of California, makes this Accusation.

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

3.

a. ACI is presently licensed and/or issued by the Department Real Estate as a real estate corporation (license no. 01874843). ACI was licensed from on or about December 2, 2009 to December 1, 2013 and from on or about March 18, 2014 through the present. On or about August 22, 2014, ACI registered the fictitious business name of "Alliance Residential Company" with the Department of Real Estate. ACI has had no other fictitious business names.

b. MISHLER is presently licensed and/or issued by the Department of Real Estate as a real estate broker (license no. 00700978). MISHLER was originally licensed as a real estate broker on or about May 29, 1992. From on or about December 2, 2009 through April 29, 2019, MISHLER was the designated officer of ACI.

4.

Whenever acts referred to below are attributed to ACI and/or MISHLER, those acts are alleged to have been done by ACI and/or MISHLER, acting by itself/himself/themselves, or by and/or through one or more employees, agents, associates, affiliates, and/or co-conspirators, including, but not limited to, non-licensees Bradley W. Cribbins, Alisa Rosenberg, Matthew Smith, Jennifer Maseloff, Reinet du Plessis, Derek Duffett, and Talia Mullings.

5.

At all times mentioned, in the Counties of San Diego, Orange, Los Angeles, San Bernardino, San Francisco, Alameda, and Contra Costa, ACI and MISHLER were engaged in the business of a real estate broker conducting licensed activities within the meaning of

1 Code section 10131(b) (“[l]eases or rents or offers to lease or rent, or places for rent, or solicits  
2 listings of places for rent, or solicits for prospective tenants, or negotiates the sale, purchase, or  
3 exchanges of leases on real property, or on a business opportunity, or collects rents from real  
4 property, or improvements thereon, or from business opportunities”).

5  
6 (Trust Fund Audit)

7 6.

8 On or about November 26, 2019, the Department of Real Estate completed  
9 an audit examination of the books and records of ACI to determine whether ACI and  
10 MISHLER handled and accounted for trust funds and conducted their real estate activities in  
11 accordance with the Real Estate Law and Regulations. The audit examination covered a period  
12 of time beginning on January 1, 2018 and ending on May 31, 2019. The audit examination  
13 revealed violations of the Code and the Regulations set forth in the following paragraphs, and  
14 more fully discussed in Audit Report SD180039 and the exhibits and work papers attached to  
15 said audit report.

16  
17 Trust Accounts

18 7.

19 At all times mentioned, in connection with the activities described in Paragraph  
20 5, above, ACI and MISHLER accepted or received funds including funds in trust (“trust  
21 funds”) from or on behalf of actual or prospective parties, such as sellers and buyers of real  
22 property, and thereafter made deposits and/or disbursements of such funds. From time to time  
23 herein mentioned, during the audit period, said trust funds were deposited and/or maintained  
24 by ACI and/or MISHLER in the trust accounts as follows:

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1 "Alliance Communities, Inc. ITF  
2 K St. Flats – Operating Account"  
3 \*\*\*\*\*1132  
4 Bank of America  
2151 Shattuck Ave.  
Berkeley, CA 94704 (B/A 1)

5 "Alliance Communities, Inc.  
6 K St. Flats – Depository Account"  
7 \*\*\*\*\*1145  
8 Bank of America  
2151 Shattuck Ave.  
Berkeley, CA 94704 (B/A 2)

9 "Alliance Communities, Inc.  
10 NoHo 14 D"  
11 \*\*\*\*\*0531  
12 Bank of America  
5025 Lankershim Blvd.  
North Hollywood, CA 91601 (B/A 3)

13 "5445 Lankershim Boulevard Apartments Investors LLC  
14 NoHo 14 Apartments Depository  
15 C/O Alliance Residential LLC"  
16 \*\*\*\*\*4785  
Bank of America (B/A 4)

17 "Alliance Communities, Inc.  
18 Woodland Property Owner, LLC"  
19 \*\*\*\*\*7395  
20 Chase Bank  
300 Hamilton Ave.  
Palo Alto, CA 94301 (B/A 5)

21 "Alliance Communities, Inc.  
22 Woodland Property Owner, LLC"  
23 \*\*\*\*\*6355  
24 Chase Bank  
300 Hamilton Ave.  
Palo Alto, CA 94301 (B/A 6)

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In the course of activities described in Paragraphs 5 and 7, above, and during the audit examination period in Paragraph 6, above, Respondents ACI and MISHLER acted in violation of the Code and the Regulations as set forth below:

(a)(1) ACI: discrepancy of \$1,823.52 in B/A 1, which was used for handling trust funds, as of May 31, 2019 due to inaccurate record keeping, in violation of Code section 10145(a).

(a)(2) ACI: discrepancy of \$1,453.80 in B/A 2, which was used for handling trust funds, as of May 31, 2019 due to inaccurate record keeping, in violation of Code section 10145(a).

(a)(3) ACI and MISHLER: discrepancy of \$3,795.04 in B/A 2, which was used for handling trust funds, as of April 28, 2019 due to inaccurate record keeping, in violation of Code section 10145(a).

(a)(4) ACI and MISHLER: discrepancy of \$7,448.90 in B/A 3, which was used for handling trust funds, as of April 28, 2019 due to inaccurate record keeping, in violation of Code section 10145(a).

(a)(5) ACI and MISHLER: discrepancy of \$2,579.91 in B/A 4, which was used for handling trust funds, as of April 28, 2019 due to inaccurate record keeping, in violation of Code section 10145(a).

(a)(6) ACI and MISHLER: discrepancy of \$9,018.52 in B/A 5, which was used for handling trust funds, as of April 28, 2019 due to inaccurate record keeping, in violation of Code section 10145(a).

(b) Failed to maintain accurate control records in the form of a columnar record in chronological order of all trust funds received, deposited, and disbursed, for B/A 1, B/A 2, B/A 3, B/A 4, B/A 5, and B/A 6, in violation of Code section 10145 and Regulations section 2831.

1 (c) Failed to designate B/A 1, B/A 2, B/A 3, B/A 4, B/A 5, and B/A 6, which  
2 were used to hold trust funds, as trust accounts in the name of ACI as trustee, in violation of  
3 Code section 10145 and Regulations section 2832.

4 (d) Permitted ACI's employees, Bradley W. Cribbins, Alisa Rosenberg,  
5 Matthew Smith, Jennifer Maseloff, Reinet du Plessis, and Derek Duffet, who are all unlicensed  
6 and unbonded persons, to be authorized signatories on B/A 1, B/A 2, B/A 3, B/A 5, and/or B/A  
7 6, into which were deposited trust funds, in violation of Code section 10145 and Regulations  
8 section 2834.

9 (e) Used the fictitious name "Alliance" to conduct licensed activities, without  
10 holding a license bearing the fictitious business names, in violation of Code section 10159.5  
11 and Regulations section 2731.

12 (f) ACI and MISHLER: permitted Talia Mullings, an unlicensed individual, to  
13 conduct activities that require a license (i.e., offer to rent/lease to prospective tenants and sign  
14 lease agreements on behalf of ACI), in violation of Code section 10130.

15 (g) MISHLER: the overall conduct of MISHLER constitutes a failure on  
16 MISHLER's part, as officer designated by a corporate broker licensee, to exercise the  
17 reasonable supervision and control over the licensed activities of ACI as required by Code  
18 section 10159.2 and Regulations section 2725, and to keep ACI in compliance with the Real  
19 Estate Law, requiring a real estate license, and is cause for discipline of the real estate license  
20 and real estate license rights of MISHLER pursuant to the Code sections 10177(d) (willful  
21 disregard or violation of Real Estate Law) and 10177(h) (failure to exercise reasonable  
22 supervision).

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1 9.

2 The conduct of Respondents ACI and MISHLER described in Paragraph 8,  
3 above, violated the Code and the Regulations as set forth below:

4 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
5 8(a)	Code section 10145(a)
6 8(b)	Code section 10145 and Regulations section 2831
7 8(c)	Code section 10145 and Regulations section 2832
8 8(d)	Code section 10145 and Regulations section 2834
9 8(e)	Code section 10159.5 and Regulations section 2731
10 8(f)	Code section 10130
11 8(g)	Code section 10159.2 and Regulations section 2725

12 The foregoing violations constitute cause for discipline of the real estate license and license  
13 rights of Respondents ACI and MISHLER under the provisions of Code sections 10177(d),  
14 10177(g), and 10177(h).

15  
16 (COSTS)

17 10.

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

23 11.

24 Code section 10148(b) provides, in pertinent part, that the Commissioner shall  
25 charge a real estate broker for the cost of any audit, if the Commissioner has found in a final  
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1 decision following a disciplinary hearing that the broker has violated Code section 10145 or a  
2 regulation or rule of the Commissioner interpreting said section.

3 WHEREFORE, Complainant prays that a hearing be conducted on the  
4 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing  
5 disciplinary action against the license and license rights of ALLIANCE COMMUNITIES, INC.  
6 and BRADLEY DALE MISHLER under the Real Estate Law (Part 1 of Division 4 of the  
7 California Business and Professions Code), for the cost of investigation and  
8 enforcement pursuant to Code section 10106 and as permitted by law, and for such other  
9 and further relief as may be proper under other applicable provisions of law, including costs of  
10 audit pursuant to Code section 10148(b).

11 Dated at San Diego, California: November 16, 2020.

12  
13 *Veronica Kilpatrick*  
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15 Veronica Kilpatrick  
16 Supervising Special Investigator  
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20 cc: Alliance Communities, Inc.  
21 Bradley Dale Mishler  
22 Veronica Kilpatrick  
23 Sacto  
24 Enforcement  
25 Audits – Shirley Xie  
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