

1 LISSETE GARCIA, Counsel (SBN 211552)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013-1105
5 Telephone: (213) 576-6982
6 Direct: (213) 576-6914
7 Fax: (213) 576-6917
8 *Attorney for Complainant*

FILED

MAR 01 2021

DEPT. OF REAL ESTATE

By *[Signature]*

9
10 **BEFORE THE DEPARTMENT OF REAL ESTATE**
11 **STATE OF CALIFORNIA**

12 ***

13 In the Matter of the Accusation against:

14
15 **WILLIAM BENJAMIN KNOWLES;**
16 **BRENDA JOYCE DAVIS-BAILEY;**
17 **BST REALTY, INC.; and**
18 **ALVIN GENE TONEY, individually, and as**
19 **designated officer for BST Realty, Inc.,**
20 **Respondents.**

DRE No. H-05184 SD

ACCUSATION

21 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator for the
22 Department of Real Estate ("Department") of the State of California, for cause of
23 Accusation against WILLIAM BENJAMIN KNOWLES; BRENDA JOYCE DAVIS-BAILEY; BST
24 REALTY, INC.; and ALVIN GENE TONEY, individually, and as designated officer for BST
25 Realty, Inc. (collectively "Respondents"), alleges as follows:
26
27

1 BSTRI pursuant to Code section 10211. As said designated officer-broker, Respondent
2 TONEY was responsible, pursuant to Code section 10159.2, for the supervision of the
3 activities for which a license is required, of the officers, agents, real estate licensees, and
4 employees of Respondent BSTRI.

5 11. Respondent BSTRI is a corporation formed in California on December 19,
6 2005. BSTRI's corporate status is currently suspended by the Franchise Tax Board.

7 12. BSTRI's real estate license expired on January 31, 2018. On or about
8 September 19, 2018, Respondent TONEY submitted an Officer Renewal Application
9 ("license renewal application") on behalf of BSTRI to renew BSTRI's corporation license.
10 The Department has not processed BSTRI's license renewal application. BSTRI's
11 corporate status was, and continues to be, not in good standing with the Office of the
12 Secretary of State for California.

13 13. Following the expiration of BSTRI's real estate license, Respondents BSTRI
14 and TONEY continued to engage in activities that require a real estate broker license
15 within the meaning of Code section 10131, subdivision a, while doing business as
16 BSTRI. Respondents' activities included selling or offering to sell, buying or offering to
17 buy, soliciting prospective sellers or buyers of, soliciting or obtaining listings of, or
18 negotiating the purchase, sale, or exchange of real property or a business opportunity.

19 Autumn St. property

20 14. On or about July 17, 2019, Respondent TONEY submitted an offer on
21 behalf of prospective buyer M.D.¹ to purchase real property located at 11613 Autumn
22 Street, Adelanto, California ("Autumn St. property"). The purchase price was to be
23 \$299,000.

24 ///

25 ///

26 ¹ Initials are used in place of individuals' full names to protect their privacy. Documents containing
27 individuals' full names will be provided during the discovery phase of this case to Respondent(s) and/or
their attorneys, after service of a timely and proper request for discovery on Complainant's counsel.

1 15. The Residential Purchase Agreement and Joint Escrow Instructions ("first
2 purchase agreement") lists BSTRI as the broker for buyer M.D. TONEY executed the
3 purchase agreement and other documents related to the transaction on behalf of
4 BSTRI.

5 16. At all times mentioned herein, Respondent TONEY was not licensed to do
6 business using any fictitious business name including BSTRI.

7 17. On or about August 5, 2019, M.D. cancelled the transaction and escrow.

8 18. On or about August 5, 2019, Respondent DAVIS-BAILEY signed a Broker-
9 Associate Licensee Contract ("salesperson contract") with Respondent KNOWLES, doing
10 business as Knowles & Morgan Realty, to act as a salesperson for broker KNOWLES.

11 19. At all times relevant herein, Respondent KNOWLES was licensed to do
12 business as "Knowles & Morgan Realty."

13 20. Under the salesperson contract, DAVIS -BAILEY was to receive
14 compensation including a 70% share of commissions collected by broker KNOWLES for
15 DAVIS-BAILEY's listings, sales, and other services that require a real estate license.
16 KNOWLES was to receive a 30% share of sales commissions.

17 21. Respondents DAVIS-BAILEY and KNOWLES failed to notify the
18 Department of DAVIS-BAILEY's association with KNOWLES, as DAVIS-BAILEY's new
19 broker.

20 22. According to the Department's licensing records, from September 29,
21 2016 to January 17, 2020, DAVIS-BAILEY was licensed under responsible broker BSTRI.
22 Respondent DAVIS-BAILEY is currently licensed "NBA" meaning no broker affiliation.

23 23. On August 6, 2019, Respondent DAVIS-BAILEY submitted a new offer on
24 behalf of M.D. (the same prospective buyer noted above in Paragraphs 14 and 15) to
25 purchase the Autumn St. property for a purchase price of \$299,999. Knowles &
26 Morgan Realty was listed as M.D.'s broker on the Residential Purchase Agreement and
27 Joint Escrow Instructions ("second purchase agreement").

1 24. The sellers accepted M.D.'s offer and escrow closed on November 27,
2 2019. The escrow commission instructions were to pay a commission of \$5,980 to
3 Morgan & Knowles Realty.

4 25. On or about December 2, 2019, KNOWLES paid DAVIS-BAILEY her share
5 of the sales commission for M.D.'s purchase of the Autumn St. property. DAVIS-BAILEY
6 was not licensed as a salesperson under broker KNOWLES.

7 Norton Ave. property

8 26. In August of 2019, Respondent BSTRI entered into a Residential Listing
9 Agreement to act as the broker for seller A.G.'s sale of real property located at 3741 S.
10 Norton Ave., Los Angeles, California ("Norton Ave. property"). Between September and
11 November of 2019, Respondent BSTRI was listed as the broker for seller A.G. in three
12 separate transactions where prospective buyers attempted to purchase the Norton Ave.
13 property before ultimately cancelling the transactions with escrow. Respondent TONEY
14 eventually procured a buyer for the Norton Ave. property and escrow closed on
15 December 4, 2019. Respondent BSTRI received a commission of \$22,850.00 from the
16 sale of the Norton Ave. property.

17 Luna Rd. property

18 27. On or about April 5, 2020, Respondent TONEY submitted an offer on
19 behalf of prospective buyer S.S. to purchase real property located at 12913 Luna Road,
20 Victorville, California ("Luna Rd. property"). The purchase price was to be \$269,000.

21 28. Respondent TONEY prepared or submitted several transaction documents
22 using the fictitious business names BSTRI and/or BST Realty, including, but not limited
23 to, a Residential Purchase Agreement and Joint Escrow Instructions ("purchase
24 agreement"), an Addendum to the purchase agreement, and an invoice for transaction
25 coordinator fees.

26 29. At all times relevant herein, Respondent TONEY was not licensed to do
27 business using any fictitious business names including BSTRI.

1 violation of Code section 10130 and Regulation 2742(c), as is alleged above in
2 Paragraphs 11 through 14 and Paragraphs 26 through 30. The foregoing violations
3 constitute cause for the suspension or revocation of all licenses and license rights of
4 Respondent BSTRI pursuant to Code section 10177, subdivisions (d) and/or (g).

5 42. The violations alleged above in Paragraph 41 constitutes Respondent
6 TONEY's failure to exercise the supervision and control over the activities of BSTRI to
7 ensure compliance with the Real Estate Law and Regulations, as is required by Code
8 section 10159.2 and Regulation 2725. The foregoing violations constitute cause to
9 suspend or revoke the real estate licenses and license rights of Respondent TONEY
10 pursuant to Code section 10177, subdivisions (h), (d), and/or (g).

11 Fifth Cause of Accusation

12 Respondent TONEY

13 43. There is hereby incorporated in this Fifth, separate and distinct Cause of
14 Accusation, all of the allegations contained in Paragraphs 1 through 42, with the same
15 force and effect as if herein fully set forth.

16 44. Respondent TONEY engaged in activities requiring a real estate license, as
17 alleged above in Paragraphs 11 through 14 and Paragraphs 26 through 30, while using
18 the unlicensed fictitious business names BST Realty, Inc. and BST Realty, in violation of
19 Code section 10159.5 and Regulation 2731. The foregoing violations constitute cause
20 to suspend or revoke the real estate licenses and license rights of Respondent TONEY
21 pursuant to Code section 10177, subdivisions (d) and/or (g).

22 Investigation/Enforcement Costs

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

