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DEPT. OF REAL ESTATE
By _____

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

10 * * *

11 In the Matter of the Accusation of

No. H-05217 SD

12
13 CARI ANN DROLET;

FIRST AMENDED

14 WEST RESIDENTIAL, INC. formerly The
15 Edgar Fine Group, Inc.; and

ACCUSATION

16 MICHAEL EDGAR WEST, individually and as
17 designated officer of West Residential, Inc.,

18 Respondents.

19 This First Amended Accusation amends the Accusation filed on October 25,
20 2021. The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of
21 California, for cause of Accusation against Respondents CARI ANN DROLET ("DROLET"),
22 WEST RESIDENTIAL, INC. formerly The Edgar Fine Group, Inc. ("WRI")¹, and MICHAEL
23

24 _____
25 ¹ WRI changed its name from The Edgar Fine Group, Inc. to West Residential, Inc. with the
26 California Secretary of State (corporate number C4101639) on or about April 29, 2021 and
27 with the Department of Real Estate on or about June 7, 2021. From on or about June 4, 2018 to
June 6, 2021, WRI was licensed with the Department of Real Estate as The Edgar Fine Group,
Inc. As a result, West Residential, Inc. and The Edgar Fine Group, Inc. are the same entity for
all purposes herein.

1 EDGAR WEST, individually and as designated officer of West Residential, Inc. (collectively
2 “Respondents”), is informed and alleges as follows:

3 1.

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

6 2.

7 All references to the “Code” are to the California Business and Professions
8 Code, and all references to “Regulations” are to Title 10, Chapter 6, California Code of
9 Regulations, unless otherwise specified.

10 3.

11 A. DROLET: Respondent DROLET is presently licensed and/or has
12 license rights issued by the Department of Real Estate as a real estate salesperson (license no.
13 01823385). On or about October 1, 2007, DROLET was originally licensed as a real estate
14 salesperson, and has been so licensed since then. DROLET’s sponsoring broker has been WRI
15 from on or about August 24, 2018 through the present.

16 B. WRI: Respondent WRI is presently licensed and/or has license rights
17 issued by the Department of Real Estate as a real estate corporate broker (license no.
18 02067323). On or about June 4, 2018, WRI was originally licensed as a corporate real estate
19 broker, and has been so licensed since then. From on or about June 4, 2018 through the
20 present, WEST was and is the designated officer of WRI. WRI was licensed as “The Edgar
21 Fine Group, Inc.” from on or about June 4, 2018 to June 6, 2021. WRI’s fictitious business
22 names are “EZ-TC California” and “Michael West, Broker” both from on or about June 4, 2018
23 through the present and “Lotus Realty Group” from on or about August 6, 2018 through the
24 present.

25 C. WEST: Respondent WEST is presently licensed and/or has license
26 rights issued by the Department of Real Estate as a real estate broker (license no. 01861187) of
27 WRI. On or about January 30, 2013, WEST was originally licensed as a real estate broker, and

1 has been so licensed since then. From on or about March 25, 2009 to January 29, 2013, WEST
2 was licensed as a real estate salesperson. From on or about September 13, 2021 through the
3 present, WEST has had a mortgage loan originator ("MLO") license endorsement (NMLS no.
4 1328682). WEST's fictitious business names are "The Edgar Fine Group California" from on
5 or about February 4, 2016 through the present and "West Residential" from on or about August
6 17, 2021 through the present.

7 4.

8 Whenever acts referred to below are attributed to DROLET, those acts are
9 alleged to have been done by DROLET, acting by herself, or by and/or through one or more
10 agents, associates, affiliates, and/or co-conspirators, including, but not limited to WRI and
11 WEST.

12 5.

13 Whenever acts referred to below are attributed to WRI, those acts are alleged to
14 have been done by WRI, acting by itself, or by and/or through one or more agents, associates,
15 affiliates, and/or co-conspirators, including but not limited to DROLET and WEST.

16 6.

17 Whenever acts referred to below are attributed to WEST, those acts are alleged
18 to have been done by WEST, acting by himself, or by and/or through one or more agents,
19 associates, affiliates, and/or co-conspirators, including but not limited to DROLET and WRI.

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1 FIRST CAUSE OF ACCUSATION

2 (FRAUD AND DISHONEST DEALING, ETC.: DROLET AND WRI)

3 7.

4 Incorporated herein are Paragraphs 3 through 6, above.

5 8.

6 On or about July 15, 2019, DROLET and WRI dba Lotus Realty Group entered
7 into a Residential Listing Agreement with Kyle K. ("Owner") wherein DROLET and WRI
8 agreed to sell the Owner's property at 4538 Golden Ridge Dr., Oceanside, CA 92056
9 ("Property") with a listing price of \$349,999.²

10 9.

11 On or about July 24, 2019, Daniel T., a real estate broker, submitted an offer of
12 \$270,000 on behalf of his company, Golden Gate Realty and Investments, on the Property to
13 DROLET.

14 10.

15 On or about July 29, 2019, DROLET informed Daniel T. the Property had
16 foundation issues, and asked if Daniel T. wanted to proceed with his offer.

17 11.

18 On or about July 30, 2019 at approximately 9:31 a.m., Daniel T. informed
19 DROLET that he would get back to him after he heard from his engineer. That same day, at
20 approximately 6:16 p.m., Daniel T. informed DROLET that his offer was now \$240,000.

21 12.

22 On or about August 1, 2019 at approximately 10:15 a.m., Daniel T. informed
23 DROLET again that his offer was \$240,000, and that it was his best offer. DROLET responded
24 that the Owner choose another buyer for the Property.

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27 ² Kyle K. was the trustee of his parents' trust, which owned the Property.

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On or about August 1, 2019 at approximately 1-2 p.m., the Owner who was unaware of Daniel T.'s offer, accepted REIG Asset Management, LLC's offer of \$220,000. DROLET represented both Daniel T. and REIG Asset Management, LLC as a dual agent.

14.

On or about August 9, 2019, the Owner sold the Property to REIG Asset Management, LLC for \$220,000. As the dual agent, DROLET received commissions as both the seller's agent and the buyer's agent.

15.

Later that same day on August 9, 2019, REIG Asset Management, LLC sold the Property to SoCal Metro Holdings, LLC for \$287,500.

16.

DROLET failed to inform the Owner of Daniel T.'s offer of \$270,000 and/or his offer of \$240,000 prior to the sale of the Property to REIG Asset Management, Inc. on August 9, 2019. The Owner was not aware of any of Daniel T.'s offers until after the Property was sold to REIG Asset Management, LLC and then SoCal Metro Holdings, LLC.

17.

The conduct, acts, and/or omissions of Respondents DROLET and WRI, as described above constitute making substantial misrepresentations and fraud and/or dishonest dealing, and are cause for the suspension or revocation of all real estate licenses and license rights of Respondent under the provisions of Code sections 10176(a), 10176(b), 10176(i), 10177(d), and 10177(g) and/or 10177(j).

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SECOND CAUSE OF ACCUSATION

(BROKER SUPERVISION: WRI AND WEST)

18.

Incorporated herein are Paragraphs 3 through 17, above.

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Based on the above facts, WRI did not exercise reasonable control and supervision over the activities conducted by its employees and/or licensees, including, but not limited to, DROLET, as necessary to secure full compliance with real estate laws, which constitutes a breach of fiduciary duty with respect to its real estate consumers and clientele. WRI's conduct and violations are cause for the suspension or revocation of its real estate license and license rights pursuant to Code sections 10177(h) and Regulations section 2725.

20.

Based on the above facts, WEST did not exercise reasonable control and supervision over the activities conducted by its employees and/or licensees, including, but not limited to, DROLET and WRI as necessary to secure full compliance with real estate laws, which constitutes a breach of fiduciary duty with respect to its real estate consumers and clientele. WEST's conduct and violations are cause for the suspension or revocation of his real estate license and license rights pursuant to Code sections 10177(h) and Regulations section 2725.

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1 COSTS

2 21.

3 Code section 10106 provides, in pertinent part, that in any order issued in
4 resolution of a disciplinary proceeding before the bureau, the Commissioner may request the
5 administrative law judge to direct a licensee found to have committed a violation of this part to
6 pay a sum not to exceed the reasonable costs of investigation and enforcement of the case.

7 WHEREFORE, Complainant prays that a hearing be conducted on the
8 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
9 disciplinary action against all licenses and/or license rights under the Real Estate Law (Part 1 of
10 Division 4 of the California Business and Professions Code) of Respondents CARI ANN
11 DROLET, WEST RESIDENTIAL, INC., and MICHAEL EDGAR WEST, individually and as
12 designated officer of WRI, for the cost of investigation and enforcement as permitted by law,
13 and for such other and further relief as may be proper under applicable provisions of law.

14 Dated at San Diego, California: 11/24/2021

15
16 Veronica Kilpatrick

17 Veronica Kilpatrick
18 Supervising Special Investigator

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24 cc: Cari Ann Drolet
25 West Residential, Inc.
26 Michael Edgar West
27 Veronica Kilpatrick
Sacto.