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**FILED**

APR 11 2024

DEPT. OF REAL ESTATE

By. 

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \* \*

In the Matter of the Accusation of	)	DRE No. H-05234 SD
	)	OAH No. 2023050133
MIGUEL ANGEL MANZANARES,	)	
individually and as designated officer of	)	
Flagship Real Estate Group;	)	
FLAGSHIP REAL ESTATE GROUP;	)	
CASA GRAN REAL ESTATE, INC.,	)	
doing business as Padre Mortgage;	)	
<u>KATY MEYERS</u> , individually and as	)	
designated officer of Casa Gran Real Estate, Inc.;	)	
BRIDGET ROSE MANZANARES;	)	
<u>TERESA MARIE BECKETT</u> ;	)	
<u>CHRISTINE ANN MEZA</u> ;	)	
<u>CATHY VERONICA ALLCORN-DOWNING</u> ;	)	
BIANCA RAQUEL MARQUEZ;	)	
<u>JULIE ANN ERWIN</u> ; and	)	
<u>RUBEN ALBERTO MEZA</u> ,	)	
	)	
Respondents.	)	

DECISION AFTER REJECTION

This matter came on for hearing before Administrative Law (“ALJ”) Traci C. Belmore of the Office of Administrative Hearings, San Diego via teleconference, on September 28-29, 2023. Steve Chu, Counsel, represented the Complainant, Veronica Kilpatrick,

1 Supervising Special Investigator for the California Department of Real Estate (“Department”).  
2 Respondent Katy Meyers (“Meyers”) appeared via teleconference and was represented by  
3 attorney Eric Grinder, Esq. Respondents Teresa Marie Beckett (“Beckett”), Christine Ann  
4 Meza (“Christine M.”), Cathy Veronica Allcorn-Downing (“Allcorn-Downing”), Julie Erwin  
5 (“Erwin”), and Ruben Alberto Meza (“Ruben M.”) (collectively “Respondents”) appeared via  
6 teleconference and each represented themselves. Oral and documentary evidence were  
7 received. The record was closed and the matter was submitted for decision on September 29,  
8 2023.

9 On or about October 31, 2023, the ALJ issued a Proposed Decision.

10 On or about December 12, 2023, Respondents were served with notice of my  
11 determination not to adopt the Proposed Decision of ALJ Lucero along with a copy of said  
12 Proposed Decision pursuant to California Government Code section 11517(c). Respondents  
13 were notified that the case would be decided by me upon the record, the transcript of  
14 proceedings held on September 28-29, 2023, and upon any written argument offered by  
15 Respondents and Complainant.

16 On or about December 27, 2023, Respondent Erwin filed her argument after  
17 rejection.

18 On or about December 29, 2023, Respondent Allcorn-Downing filed her  
19 argument after rejection.

20 On or about January 25, 2024, Respondent Meyers filed her argument after  
21 rejection.

22 On or about February 1, 2024, Complainant filed Complainant’s argument after  
23 rejection, and served a copy on Respondents.

24 I have given careful consideration to the record in this case, including, but not  
25 limited to, the transcript of the proceedings of September 28-29, 2023 and the exhibits admitted  
26 at hearing. I have also considered the written arguments submitted by Respondents described  
27

1 above as well as by Complainant. Respondents Beckett, Christine M., and Ruben M. did not  
2 file a written argument.

3 The following shall constitute the Decision of the Real Estate Commissioner in  
4 this proceeding.

5  
6 **FACTUAL FINDINGS**

7 **Jurisdictional Matters**

8 1. On January 11, 2022, complainant Veronica Kilpatrick, in her official  
9 capacity as Supervising Special Investigator for the Department, issued the First Amended  
10 Accusation alleging causes for discipline against Respondents Meyers, individually and as  
11 designated officer of Casa Gran Real Estate, Inc.; Beckett; Christine M.; Allcorn-Downing;  
12 Erwin; and Ruben M. as well as respondents Miguel Angel Manzanares (“Miguel M.”),  
13 individually and as designated officer of Flagship Real Estate Group; Flagship Real Estate  
14 Group; Casa Gran Real Estate, Inc., doing business as Padre Mortgage; Bridget Rose  
15 Manzanares (“Bridget M.”); and Blanca Raquel Marquez (“Marquez”). The causes for discipline  
16 are generally described as follows: engaging in licensed activity without a valid license, use of  
17 unlicensed fictitious business name, failure to inform commissioner of branch address, and  
18 failure to supervise. All the respondents filed timely notices of defense.

19 2. Prior to hearing, respondents Miguel M., Flagship Real Estate Group,  
20 Casa Gran Real Estate, Inc., Bridget M., and Marquez each reached stipulated agreements with  
21 the Department. As a result, the hearing proceeded only against the remaining respondents:  
22 Meyers for failure to supervise and Beckett, Christine M., Allcorn-Downing, Erwin, and Ruben  
23 M. for engaging in licensed activity without a valid broker affiliation.

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1 **License History**

2 *Miguel Angel Manzanares*

3 3. On November 6, 2002, the Department issued a conditional salesperson  
4 license to Miguel M. That license was suspended indefinitely effective December 6, 2008  
5 pursuant to California Family Code section 17520 (failure to pay child support). The suspension  
6 was lifted on December 11, 2009. The salesperson license expired on April 17, 2012.

7 4. On November 18, 2013, the Department issued a restricted broker license  
8 to Miguel M.

9 5. On March 30, 2015, Miguel M. began doing business as “Flagship Real  
10 Estate Group” as his fictitious business name.

11 6. On August 18, 2018, Miguel M.’s restricted broker license was suspended  
12 indefinitely for failure to pay child support. The suspension was released on August 23, 2018.

13 7. On January 17, 2019, Miguel M.’s restricted broker license was again  
14 suspended indefinitely for failure to pay child support. The suspension was released on October  
15 17, 2019.

16  
17 *Bridget Rose Manzanares*

18 8. On December 9, 2010, the Department issued a salesperson license to  
19 Bridget M.

20 9. On January 20, 2015, Bridget M. affiliated with Miguel M. as her  
21 responsible broker.

22 10. On September 15, 2017, Bridget M. changed her responsible broker to  
23 Flagship Real Estate Group, with the address of 531 Encinitas Blvd., Ste. 204, Encinitas, CA  
24 92024 (the “Encinitas Blvd.’s Address”). Bridget M.’s affiliation with Flagship Real Estate  
25 Group as her responsible broker was discontinued on August 18, 2018 due to the non-broker  
26 affiliated status of the corporation.

1                   11.     On November 7, 2018, Bridget M. affiliated with Miguel M. as her  
2 responsible broker. That affiliation was discontinued on December 8, 2018.

3                   12.     On February 20, 2019, Bridget M.'s license was renewed late with no  
4 responsible broker affiliation.

5                   13.     On February 22, 2019, Bridget M. affiliated with Casa Gran Real Estate,  
6 Inc. as her responsible broker.

7                   14.     On December 20, 2019, Bridget M. affiliated with Miguel M. as her  
8 responsible broker.

9  
10 *Flagship Real Estate Group*

11                   15.     On January 13, 2017, the Department issued a corporation license to  
12 Flagship Real Estate Group with Miguel M. as its restricted designated officer with the Encinitas  
13 Blvd.'s Address as its main office and mailing address.

14                   16.     From August 18, 2018 to August 22, 2018 and from January 17, 2019 to  
15 October 16, 2019, Flagship Real Estate Group was not authorized to conduct licensed activities  
16 because it did not have a designated officer. The broker license of its designated officer, Miguel  
17 M., was suspended during these time periods.

18  
19 *Casa Gran Real Estate, Inc.*

20                   17.     On September 20, 2005, the Department issued a corporation license to  
21 Casa Gran Real Estate, Inc. The office and mailing address for this license was 1613 Linda Sue  
22 Lane, Encinitas, CA 92024. This license was never affiliated the Encinitas Blvd.'s Address or  
23 any other address on Encinitas Blvd. The license was in full force and effect at all times relevant  
24 to this matter and was surrendered in connection with this matter on May 30, 2023.

25                   18.     On October 28, 2009, Casa Gran Real Estate, Inc. started doing business  
26 as "Padre Mortgage" as its fictitious business name.

1                   19.    On January 23, 2013, Casa Gran Real Estate, Inc. obtained a company  
2 mortgage loan originator (“MLO”) license endorsement.

3                   20.    As of January 1, 2015, Meyers was Casa Gran Real Estate, Inc.’s  
4 designated officer.

5  
6 *Katy Meyers*

7                   21.    On June 29, 2004, the Department issued a broker license to respondent  
8 Meyers. The license was in full force and effect at all times relevant to this matter. The license  
9 will expire on June 28, 2024 unless renewed.

10                  22.    On January 24, 2013, Meyers obtained an individual MLO license  
11 endorsement.

12  
13 *Teresa Marie Beckett*

14                  23.    On October 1, 2018, the Department issued a salesperson license to  
15 Beckett. The license was in full force and effect at all times relevant to this matter and expired on  
16 September 30, 2022.

17                  24.    On November 6, 2018, Beckett affiliated with Miguel M. as her  
18 responsible broker. That affiliation was discontinued on January 17, 2019 due to the suspension  
19 of Miguel M.’s license.

20                  25.    On March 6, 2019, Beckett affiliated with R-Mac Properties, Inc. as her  
21 responsible broker.

22  
23 *Christine Ann Meza*

24                  26.    On February 26, 2014, the Department issued a salesperson license to  
25 Meza aka Christine Manzanares. The license was in full force and effect at all times relevant to  
26 this matter and will expire on February 25, 2026 unless renewed.

1                   27.     On January 31, 2015, Meza affiliated with Miguel as her responsible  
2 broker.

3                   28.     On January 23, 2018, Meza affiliated with Flagship Real Estate Group as  
4 her responsible broker. That affiliation was discontinued on August 17, 2018 due to the non-  
5 working status of the corporation.

6                   29.     On November 6, 2018, Meza affiliated with Miguel M. as her responsible  
7 broker. That affiliation was discontinued due to Miguel M.'s non-working status on January 17,  
8 2019.

9                   30.     On February 27, 2019, Meza affiliated with Casa Gran as her responsible  
10 broker.

11                  31.     On December 20, 2019, Meza affiliated with Miguel M. as her responsible  
12 broker.

13  
14 *Cathy Allcorn-Downing*

15                  32.     On April 25, 2017, the Department issued a salesperson license to Cathy  
16 Allcorn-Downing. The license was in full force and effect at all times relevant to this matter and  
17 will expire on April 24, 2025 unless renewed.

18                  33.     On February 5, 2018, Allcorn-Downing affiliated with Flagship Real  
19 Estate Group as her responsible broker. That affiliation was discontinued on August 18, 2018,  
20 due to the non-broker affiliated status of the corporation.

21                  34.     On November 6, 2018, Allcorn-Downing affiliated with Miguel M. as her  
22 responsible broker. That affiliation was discontinued on January 17, 2019, due to Miguel M.'s  
23 non-working status.

24                  35.     On February 27, 2019, Allcorn-Downing affiliated with Casa Gran Real  
25 Estate, Inc. as her responsible broker.

1                   36.    On June 18, 2019, Allcorn-Downing affiliated with Dave Stubbs Real  
2 Estate, Inc. as her responsible broker.

3  
4 *Julie Ann Erwin*

5                   37.    On February 27, 2001, the Department issued a restricted salesperson  
6 license to Erwin.

7                   38.    On July 11, 2002, the Department issued an unrestricted salesperson  
8 license to Erwin. The license was in full force and effect at all times relevant to this matter, and  
9 expired on July 24, 2022.

10                  39.    On August 8, 2018, Erwin affiliated with Flagship as her responsible  
11 broker. That affiliation was discontinued on August 18, 2018, due to the non-working status of  
12 the corporation.

13                  40.    On November 13, 2018, Erwin affiliated with Miguel M. as her  
14 responsible broker. That affiliation was discontinued on January 17, 2019 due to the suspension  
15 of Miguel M.'s license.

16                  41.    On February 27, 2019, Erwin affiliated with Casa Gran Real Estate, Inc. as  
17 her responsible broker.

18                  42.    On December 20, 2019, Erwin affiliated with Miguel M. as her  
19 responsible broker again.

20  
21 *Ruben Alberto Meza*

22                  43.    On June 30, 2004, the Department issued a conditional salesperson license  
23 to Ruben M. That license was suspended on December 31, 2005 for his failure to meet the  
24 education requirements. The license was reinstated on February 6, 2006. The license expired on  
25 June 29, 2008.

26 ///

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1           44.    On February 20, 2014, the Department issued a salesperson license to  
2 Ruben M. The license was in full force and effect at all times relevant to this matter, and will  
3 expire on February 19, 2026 unless renewed.

4           45.    On January 31, 2015, Ruben M. affiliated with Miguel M. as his  
5 responsible broker.

6           46.    On January 24, 2018, Ruben M. changed his responsible broker to  
7 Flagship Real Estate Group. That affiliation was discontinued on August 18, 2018 due to the  
8 non-broker affiliated status of the corporation.

9           47.    On November 6, 2018, Ruben M. affiliated with Miguel M. as his  
10 responsible broker. That affiliation was discontinued on January 17, 2019 due to the suspension  
11 of Miguel M.'s license.

12           48.    On February 22, 2019, Ruben M. affiliated with Casa Gran Real Estate,  
13 Inc. as his responsible broker.

14           49.    On December 20, 2019, Ruben M. affiliated with Miguel M. as his  
15 responsible broker.

16  
17 *Bianca Raquel Marquez*

18           50.    On January 31, 2018, the Department issued a salesperson license to  
19 Marquez. The license was in full force and effect at all times relevant to this matter, and expired  
20 on January 30, 2022. The license was surrendered as a result of this matter on June 28, 2023.

21           51.    On February 5, 2018, Marquez affiliated with Flagship Real Estate Group  
22 as her responsible broker. That affiliation was discontinued on August 18, 2018, due to the non-  
23 working status of the corporation.

24           52.    On November 8, 2018, Marquez affiliated with Miguel M. as her  
25 responsible broker. That affiliation was discontinued on January 17, 2019, due to Miguel M.'s  
26 non-working status.

1           53.     On February 22, 2019, Marquez affiliated with Casa Gran Real Estate,  
2 Inc. as her responsible broker. That affiliation was discontinued on June 13, 2019.

3  
4 **Investigation**

5           54.     On February 20, 2019, the Department sent letters via email to  
6 respondents Beckett, Christine M., Allcorn-Downing, Marquez, Erwin, and Ruben M. informing  
7 them that the Department had updated its records “to indicate that you are no longer in the  
8 employ” of Miguel M. The change was effective January 17, 2019. The letter further stated that  
9 prior to engaging in licensed activities, respondents must be affiliated with a responsible broker.

10           55.     On May 21, 2019, Sara Knapton (“Knapton”), Special Investigator for the  
11 Department, sent a letter to Casa Gran Real Estate, Inc., stating that it was inquiring into the real  
12 estate activities of Beckett, Christine M., Allcorn-Downing, Marquez, Erwin, and Ruben M. The  
13 letter stated that the Department believed those individuals were still operating under Flagship  
14 Real Estate Group although Casa Gran Real Estate, Inc. was their responsible broker. The letter  
15 requested all active and closed transactions for each salesperson since February 2019, their  
16 broker-salesperson agreement, and an explanation of how Meyers supervised the salespersons.

17           56.     Knapton received a reply via email from Bridget M. on June 5, 2019,  
18 requesting additional time to comply with the documents request. The email stated that the  
19 salespersons were on Bridget M.’s “team” and that she had decided to move her team to a broker  
20 “that I trust” after the suspension of Miguel M.’s license. Bridget M. claimed they were  
21 operating as “Casa Gran, Flagship Team.” She stated that she was going to take the examination  
22 to obtain her broker license and then would resume doing business as Flagship Real Estate  
23 Group. Bridget stated that she was the team lead and that she supervised her salespersons “by  
24 coaching, mentoring, clear cut policies and procedures, offering one on one support, and  
25 conducting office meetings.”

26 ///

1                   57.     Knapton also sent emails to Meyers requesting a written statement from  
2 her and the entire transaction file for any transactions closed by the salespersons. Meyers  
3 responded on June 6, 2019, by sending Knapton the link to a Google Drive with folders. Meyers  
4 admitted at hearing that Meyers did not view some of the files because they were added by  
5 Bridget M. These files pertained to the transactions described below. Meyers did not claim in  
6 these emails that she was not aware of these transactions.

7  
8     **Transactions**

9     *219 Loma Alta*

10                   58.     On January 28, 2019, Marquez signed a purchase agreement listing  
11 Flagship as the brokerage firm for the property at 219 Loma Alta. This was after her affiliation  
12 with Miguel M. was discontinued but before her affiliation with Casa Gran Real Estate, Inc.  
13 began. Escrow closed on this transaction on March 1, 2019. On March 4, 2019, Miguel M.  
14 signed a commission disbursement authorization form signed by Miguel M. on March 4, 2019  
15 directing \$400 be paid to Catherine Settle, a \$400 "BROKER FEE" be paid to Casa Gran Real  
16 Estate, Inc., \$6,400 be paid to Marquez, and \$6,800 be paid to Bridget M. (Exhibit 26, A2959.)  
17 A \$400 broker fee was issued to Casa Gran Real Estate, Inc. "C/O Flagship Real Estate Group"  
18 at the Encinitas Blvd.'s Address. (Exhibit 26, A2882.) This was approximately one week after  
19 Marquez affiliated with Casa Gran Real Estate, Inc.

20  
21     *860 Turquoise St.*

22                   59.     On January 20, 2019, Allcorn-Downing signed a purchase agreement for  
23 a property at 860 Turquoise St. with Flagship Real Estate Group as the brokerage firm. This was  
24 after the affiliation with Miguel M. was discontinued but before her affiliation with Casa Gran  
25 Real Estate, Inc. began.

26     ///

1                   60.     Escrow closed on February 20, 2019. The commission disbursement  
2 authorization form that was signed by Allcorn-Downing and Miguel M., stated that the total  
3 commission was \$7,875 and that checks were to be sent to "TBD" for \$450, Allcorn-Downing  
4 for \$3,487.50, and Flagship Real Estate Group for \$3,937.50. This form was on Flagship Real  
5 Estate Group letterhead and stated the checks should be sent to the Encinitas Blvd.'s Address.  
6 This transaction closed prior to Allcorn-Downing's affiliation with Casa Gran Real Estate, Inc.

7  
8 *2018 Shadytree Lane*

9                   61.     On February 24, 2019, Erwin signed a purchase agreement for the  
10 property at 2018 Shadytree Lane with Flagship Real Estate Group as the brokerage firm. This  
11 was after her affiliation with Miguel M. was discontinued, but before her affiliation with Casa  
12 Gran Real Estate, Inc. began.

13                   62.     Escrow closed on March 27, 2019. The unsigned commission  
14 disbursement authorization form directed \$400 be paid to Catherine Settle, \$400 be paid to Casa  
15 Gran Real Estate, Inc., \$2,551 be paid to Erwin, and \$13,651.50 be paid to Bridget M. The total  
16 commission due was \$17,012.50. (It is unclear from the record where the remaining \$10 went.)  
17 This authorization form was on Flagship Real Estate Group's letterhead and stated the checks  
18 should be sent to the Encinitas Blvd.'s Address. The checks for Catherine Settle, Casa Gran  
19 Real Estate, Inc., and Erwin were sent to the Encinitas Blvd.'s Address.

20  
21 *4125 Lake Blvd.*

22                   63.     On January 8, 2019, Beckett signed a listing agreement for the property at  
23 4125 Lake Blvd. with Flagship Real Estate Group as the brokerage firm. This was while Miguel  
24 M.'s broker license was still active. A purchase agreement was signed by Miguel M. but not  
25 Beckett on February 6, 2019. The purchase agreement was signed after Beckett's affiliation  
26 with Miguel M. ended but prior to her affiliation with R-Mac Properties, Inc. began.

1                   64.     Escrow closed on February 28, 2019. The commission disbursement  
2 authorization signed by Beckett and Miguel M. on February 13, 2019 directed \$400 be paid to  
3 Catherine Settle, \$489 be paid to Christine M., \$3,044.55 be paid to Beckett, and \$5,846.45 be  
4 paid to Flagship Real Estate Group. The total commission was \$9,780. This authorization form  
5 was on Flagship Real Estate Group's letterhead, and stated the checks should be sent to the  
6 Encinitas Blvd.'s Address.

7  
8 *16576 Calle Pulido*

9                   65.     On March 11, 2019, Christine M. signed a purchase agreement for the  
10 property at 16576 Calle Pulido with Casa Gran Real Estate, Inc. as the brokerage firm. This was  
11 after Christine M. had affiliated with Casa Gran Real Estate, Inc.

12                   66.     Escrow closed on April 12, 2019. The commission disbursement  
13 authorization from that had a signature of "Casa Gran RE" above a line that it was authorized  
14 by Bridget M., directed \$400 be paid to Catherine Settle, \$400 be paid to Casa Gran Real  
15 Estate, Inc., \$12,610 be paid to Christine M., and \$5,990 be paid to Bridget M. The total  
16 commission was \$19,400. This form was on Flagship Real Estate Group's letterhead, and stated  
17 the checks should be sent to the Encinitas Blvd.'s Address. The checks for Casa Gran Real  
18 Estate, Inc. and Christine M. were sent to the Encinitas Blvd.'s Address.

19  
20 *516 Eastmont Ave.*

21                   67.     On April 25, 2019, Ruben M. signed a listing agreement for the property  
22 at 516 Eastmont Ave. with Flagship Real Estate Group as the brokerage firm.

23                   68.     On May 6, 2019, Christine M. and Ruben M. signed a purchase  
24 agreement with Christine M. as the seller's agent and Ruben M. as the buyer's agent. They both  
25 listed Casa Gran Real Estate, Inc. as the brokerage firm.

26 ///

1                   69.     Escrow closed on May 13, 2019. The commission disbursement  
2 authorization form that was signed by Ruben M. and Bridget M. directed \$400 be paid to  
3 Catherine Settle, \$400 be paid to Meyers, \$6,550.54 be paid to Ruben M., and \$2,621.66 be  
4 paid to Bridget M. The total commission was \$10,072.20. This form was on Flagship Real  
5 Estate Group's letterhead, and stated the checks should be sent to the Encinitas Blvd.'s Address.  
6 The checks for Meyers and Ruben M. were sent to the Encinitas Blvd.'s Address.

7                   70.     A separate commission disbursement form was signed by Bridget M., on  
8 behalf of Casa Gran Real Estate, Inc., and Christine M. on May 10, 2019. This form directed  
9 \$7,050.54 be paid to Christine M. and \$3,021.66 be paid to Bridget M. This form was on  
10 Flagship Real Estate Group's letterhead, and stated the checks should be sent to the Encinitas  
11 Blvd.'s Address.

12  
13 *7393 Melodia Terrace*

14                   71.     On April 3, 2019, Bridget M. signed a purchase agreement for the  
15 property at 7393 Melodia Terrace with Casa Gran Real Estate, Inc. as the brokerage firm. This  
16 agreement was signed after Bridget M. had begun her affiliation with Casa Gran Real Estate,  
17 Inc.

18                   72.     Escrow closed on April 24, 2019. The commission disbursement  
19 authorization form dated April 23, 2019, had a signature of "Casa Gran" above a line that it was  
20 authorized by Casa Gran Real Estate, Inc., directed \$500 be paid to Catherine Settle, \$400 be  
21 paid to Meyers, and \$35,225 be paid to Bridget M. The total commission was \$36,125. This  
22 form was on Flagship Real Estate Group's letterhead, and stated the checks should be sent to  
23 the Encinitas Blvd.'s Address.

24 ///

25 ///

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27

1 **Respondents' Evidence**

2 *Teresa Marie Beckett*

3 73. Beckett's testimony is summarized as follows. She was a new agent in a  
4 training program with Miguel. She was never affiliated with Casa Gran Real Estate, Inc. or  
5 Meyers. She signed the listing agreement for the Lake Blvd. property on January 2, 2019. The  
6 listing agreement shows a date of January 8, 2019, and was signed using DocuSign. The  
7 agreement begins on January 2, 2019, and Beckett is sure she signed it on the date the  
8 agreement began. She does not know why the signature shows January 8, 2019.

9 74. On February 4, 2019, Beckett was no longer affiliated with Miguel M.  
10 Unbeknownst to her, Miguel emailed the buyers with a counteroffer. The purchase agreement  
11 was not signed by her. Beckett received a commission check in March 2019.

12 75. Beckett was never informed by Miguel M. that his license was  
13 suspended, and Beckett did not perform any licensed activities after January 16, 2019. Allcorn-  
14 Downing was the one who informed her of the broker affiliation change.

15  
16 *Cathy Veronica Allcorn-Downing*

17 76. Allcorn-Downing's testimony is summarized as follows. Allcorn-  
18 Downing had to go through a six-month program with Flagship Real Estate Group during which  
19 she was to sell five houses. She completed the program and then affiliated with Flagship Real  
20 Estate Group. She was struggling financially so she took a job with a veterinarian's office. One  
21 of her prior clients called her and she went into escrow on the Turquoise St. property on January  
22 21, 2019, and escrow closed on February 22, 2019. Miguel M. never informed Allcorn-  
23 Downing of his license suspension.

24 77. Allcorn-Downing was affiliated with Casa Gran Real Estate, Inc. from  
25 February 2019 to June 2019. Allcorn-Downing changed her broker affiliation to Casa Gran Real  
26 Estate, Inc. because Bridget M. gave her a letter telling her to "hang her license" with Casa  
27

1 Gran Real Estate, Inc. Allcorn-Downing changed her affiliation on the same day Bridget M.  
2 gave her the letter. Allcorn-Downing performed no licensed activities between the time the  
3 Turquoise St. property closed and when she left Casa Gran Real Estate, Inc. She never met or  
4 talked with Meyers.

5 78. Allcorn-Downing is very angry with Miguel M. and Bridget M., and  
6 regrets meeting them. She believes the salespersons and Meyers are victims of Miguel M. and  
7 Bridget M.'s wrongdoing.

8  
9 *Julie Ann Erwin*

10 79. Erwin's testimony is summarized as follows. She was unaware that she  
11 was not affiliated with any broker between January 17, 2019 and February 26, 2019. On  
12 February 27, 2019, Bridget M. told her to change her broker affiliation to Casa Gran Real  
13 Estate, Inc. Erwin was informed and believed the change in broker affiliation was a formality  
14 and that she was still operating with Flagship Real Estate Group. Erwin recalled attending  
15 weekly meetings at the Encinitas Blvd.'s Address location. She never met or talked to Meyers.

16  
17 *Ruben Alberto Meza*

18 80. Ruben M.'s testimony is summarized as follows. Ruben M. has been an  
19 agent for almost 20 years. He is a full-time agent. He never felt the need to look over the  
20 shoulder of his broker. He followed the direction of Miguel M. and Bridget M. He has never  
21 been in trouble with his license. He did not receive the letter from the Department in February  
22 because it was sent to an email address they were no longer using. When he was made aware of  
23 the allegations at issue here, he was shocked.

24 81. Bridget M. told Ruben M. to change his affiliation to Casa Gran Real  
25 Estate, Inc. Ruben M. trusted his broker, so he changed the affiliation. He believed he was



1 affiliated with Casa Gran Real Estate, Inc., Flagship Real Estate Group, and Miguel M. Ruben  
2 M. never met with Meyers.

3  
4 *Christine Ann Meza*

5 82. Christine M.'s testimony is summarized as follows. Christine M. and  
6 Ruben M. work as a team. She was not in the office every day. She did attend the weekly  
7 meetings that were conducted by Bridget M. Bridget M. told her to "park" her license with Casa  
8 Gran Real Estate, Inc. but that it was a mere formality. Christine M. had no idea that Miguel  
9 M.'s license had been suspended. She was not aware that she was no longer affiliated with  
10 Miguel M. She continued doing business as Flagship Real Estate Group because that was what  
11 Bridget M. told her to do.

12  
13 *Katy Meyers*

14 83. Meyers' testimony is summarized as follows. Meyers has been a licensed  
15 broker for almost 20 years. She also holds an MLO license endorsement. Neither her license nor  
16 her MLO license endorsement have ever been disciplined or sued. Meyers is the sole owner of  
17 Casa Gran Real Estate, Inc., which is the corporation for the real estate side of Meyers' business.  
18 Meyers primarily handles mortgages and not real estate sales.

19 84. Over the years Meyers has had two (2) other salespersons affiliated with  
20 her broker's license. Meyers is available to her salespersons for weekly meetings on a voluntary  
21 basis. The salespersons are independent contractors and not employees. Meyers is generally  
22 available to her salespersons Monday through Friday from 9:00 a.m. to 9:00 p.m.

23 85. Meyers met Bridget M. in 2014 when Meyers interviewed to work in  
24 their real estate office. Meyers worked for them for several months in 2014.

25 86. In January 2019, Bridget M. approached her to have their salespersons  
26 "park" their licenses with her because Bridget M. believed that Miguel M.'s license might be  
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1 suspended. This arrangement was supposed to be short term, covering the period between  
2 Miguel M.'s potential suspension and when Bridget M. was able to obtain her broker license.  
3 Meyers agreed as a favor to Miguel M. and Bridget M.

4           87. On February 22, 2019, Meyers signed Salesperson Change Applications  
5 stating Casa Gran Real Estate, Inc. was the new sponsoring broker for Bridget M. and Marquez.

6           88. On February 27, 2019, Meyers signed Salesperson Change Applications  
7 stating Casa Gran Real Estate, Inc. was the new sponsoring broker for Christine M., Allcorn-  
8 Downing, Erwin, and Ruben M.

9           89. Bridget M. never informed Meyers of any pending transactions. Meyers  
10 did not become aware of the transactions that closed while the salespersons' licenses were  
11 affiliated with her until the Department contacted her.

12           90. Flagship Real Estate Group was an entirely separate entity. The Encinitas  
13 Blvd.'s Address was the office address for Flagship Real Estate Group, and Meyers never  
14 associated her license with that address. Meyers did not sign any of the commission  
15 disbursement authorization forms, including the ones that were allegedly signed by Casa Gran  
16 Real Estate, Inc. Meyers signs for Casa Gran Real Estate, Inc. using her name and the title of  
17 president. She did not authorize Bridget M. to sign on behalf of Casa Gran Real Estate, Inc.

18           91. Meyers was unaware of any of the transactions that were done under  
19 Flagship Real Estate Group's name by salespersons whose licenses were affiliated with Casa  
20 Gran Real Estate, Inc. prior to being notified by the Department in June 2019.

21           92. Meyers never held a meeting with Christine M., Allcorn-Downing,  
22 Erwin, and/or Ruben M. She did not provide rules and policies to any of these salespersons.

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1 **Discussion**

2 93. Neither Bridget M. nor Miguel M. notified any of their salespersons of  
3 Miguel M.'s suspension. The first information any of the respondents would receive about the  
4 suspension was the letter from the Department dated February 20, 2019. It is also clear that  
5 Miguel M. and Flagship Real Estate Group engaged in licensed activities during a time when  
6 they were not authorized to conduct licensed activities because Miguel M.'s license was  
7 suspended and Flagship Real Estate Group was non-broker affiliated.

8 94. Both Miguel M. and Bridget M. continued doing business as Flagship  
9 Real Estate Group despite knowing that Miguel M.'s license was suspended. As Miguel M. was  
10 the designated officer for Flagship Real Estate Group, the suspension of Miguel M.'s broker  
11 license rendered Flagship Real Estate Group's license as non-broker associated and therefore  
12 unable to conduct licensed activities.

13 95. Meyers is the designated officer for Casa Gran Real Estate, Inc. As such,  
14 Meyers is responsible for supervising the salespersons whose licenses are affiliated with Casa  
15 Gran Real Estate, Inc. in the performance of licensed activities. Meyers failed to establish rules  
16 and policies for the salespersons previously affiliated with Flagship Real Estate Group, which  
17 contributed to the salespersons' misunderstanding of their relationship with Casa Gran Real  
18 Estate, Inc. Instead, Meyers allowed these salespersons to act as an independent branch under  
19 Flagship Real Estate Group, Miguel M., and Bridget M. Meyers' testimony that she was not  
20 aware about any of the transactions at the time is not credible considering Casa Gran Real  
21 Estate, Inc. was paid for each of the transactions, and Meyers provided documents to at least  
22 some of the transactions described above to the Department Special Investigator Knapton  
23 during its investigation.

24 96. Beckett signed a listing agreement for the property at 4125 Lake Blvd.  
25 prior to Miguel M.'s license suspension. She credibly testified that her only involvement in the  
26 transaction after signing the listing agreement was receiving a commission check. Even if she  
27

1 were involved in the counteroffer and signing of the purchase agreement, they all occurred prior  
2 to her being notified that Miguel M.'s license was suspended. The Department failed to  
3 establish that Beckett knowingly conducted any licensed activity while Miguel M.'s license was  
4 suspended.

5           97. Allcorn-Downing signed a purchase agreement for the property at 860  
6 Turquoise St. three days after Miguel M.'s license was suspended. At the time she signed the  
7 agreement, she had no knowledge of the suspension. The transaction closed on February 22,  
8 2019, prior to her affiliation with Casa Gran Real Estate, Inc. Allcorn-Downing credibly  
9 testified that she had no knowledge of the suspension of Miguel M.'s license and that she  
10 conducted no real estate activities while she was affiliated with Casa Gran Real Estate, Inc. The  
11 Department failed to establish that Allcorn-Downing knowingly conducted any licensed activity  
12 while Miguel M.'s license was suspended.

13           98. Erwin signed a purchase agreement for the property at 2018 Shadytree  
14 Lane prior to her affiliation with Casa Gran Real Estate, Inc. Erwin credibly testified that she  
15 had no knowledge of Miguel M.'s license suspension or that she was unaffiliated between the  
16 time of the suspension and when she was told by Bridget M. to affiliate her license with Casa  
17 Gran Real Estate, Inc. The Department failed to establish that Erwin knowingly conducted any  
18 licensed activity while Miguel M.'s license was suspended.

19           99. The transactions conducted by Ruben M. and Christine M. were  
20 conducted while their licenses were affiliated with Casa Gran Real Estate, Inc., which was paid  
21 \$400 for each of the transactions listed above. However, they were overseen by Bridget M. and  
22 Miguel M. and not Casa Gran Real Estate, Inc. Both Ruben M. and Christine M. credibly  
23 testified that they thought they were still operating under the Flagship Real Estate Group  
24 umbrella and that they were told that change in broker affiliation was just a formality.

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1 **Costs**

2 100. In connection with the investigation and enforcement of this accusation,  
3 complainant requests an award of costs in the total amount of \$18,320.60. These costs reflect  
4 \$10,992.00 in enforcement costs and \$7,328.60 in investigative costs. Respondents Miguel M.  
5 and Flagship Real Estate Group stipulated to pay costs in the amount of \$11,489.35 leaving a  
6 balance of \$6,831.25. Complainant requests an award for the balance against the remaining  
7 respondents. The request is supported by declarations that comply with the requirements of  
8 California Code of Regulations, title 1, section 1042. The amount of costs is reasonable.

9  
10 **LEGAL CONCLUSIONS**

11 1. The burden of proof is on the complainant to show cause for discipline by  
12 clear and convincing evidence. (*Small v. Smith* (1971) 16 Cal.App.3d 450,457; Evid. Code, §  
13 500.) The burden is on respondent to show rehabilitation by a preponderance of the evidence.  
14 (Evid. Code, §§ 115, 500.)

15 2. California Business and Professions Code section 10130 states it is  
16 unlawful to engage in the business of, act in the capacity of, advertise as, or assume to act as a  
17 real estate broker or salesperson while not properly licensed. While it is unquestioned that  
18 respondents Miguel M., Bridget M., and Flagship Real Estate Group violated this section, the  
19 Department failed to establish that any of the remaining respondents violated this section. As  
20 such, cause does not exist to impose discipline upon the licenses of respondents Beckett,  
21 Christine M., Allcorn-Downing, Erwin, and Ruben M. under this section.

22 3. California Business and Professions Code section 10137 states that is  
23 unlawful for a real estate broker to “retain, compensate, directly or indirectly” any person  
24 performing licensed activities who is not either a licensed real estate broker or salesperson and  
25 that no real estate salesperson shall accept compensation for licensed activities from any person  
26 other than the broker under whom they are licensed. Again, it was well established that

1 respondents Miguel M., Bridget M., and Flagship Real Estate Group violated this section.  
2 However, the Department failed to establish that any of the remaining respondents violated this  
3 section. As such, cause does not exist to impose discipline upon the licenses of respondents  
4 Beckett, Christine M., Allcorn-Downing, Erwin, and Ruben M. under this section.

5           4. California Business and Professions Code section 10177 authorizes the  
6 Department to impose discipline upon the license of a licensee for willfully disregarding or  
7 violating real estate law (subd. (d)), demonstrating negligence or incompetence in performing  
8 licensed activities (subd. (g)), or engaging in fraudulent or dishonest dealing (subd. (j)). The  
9 Department established that respondents Miguel M., Bridget M., and Flagship Real Estate  
10 Group violated subdivisions (d), (g), and (j), it failed to establish that any of the remaining  
11 respondents violated those subdivisions. As such, cause does not exist to impose discipline upon  
12 the licenses of respondents Beckett, Christine M., Allcorn-Downing, Erwin, and Ruben M.  
13 under these subdivisions.

14           5. California Business and Professions Code section 10177, subdivision (h),  
15 authorizes the Department to impose discipline upon a licensee for as a broker licensee, failing  
16 to exercise reasonable supervision over the activities of the licensee's salespersons. Meyers  
17 failed to exercise reasonable supervision over the activities of Bridget M., Beckett, Christine  
18 M., Allcorn-Downing, Erwin, and Ruben M. by not meeting with them and not establishing  
19 rules and policies for their licensed activities. The salespersons credibly testified that they did  
20 not understand their relationship with Casa Gran Real Estate, Inc. Meyers testified that she was  
21 not aware of the transactions described above. However, even if Casa Gran Real Estate Group  
22 and Meyers were truly unaware, they were still responsible for establishing rules and policies  
23 with each salesperson, which would have helped these salespersons understand their broker-  
24 salesperson relationship with Casa Gran Real Estate Group.

25           6. California Business and Professions Code section 10159.2 states that an  
26 officer designated by a corporate broker license is responsible for the supervision of  
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1 salespersons licensed to the corporation in the performance of licensed activities. Casa Gran  
2 Rael Estate Group, and therefore Meyers, failed to supervise the salespersons brought over from  
3 Flagship Real Estate Group by not meeting with them and failing to establish rules and policies  
4 for their licensed activities.

5 7. Complainant established by clear and convincing evidence that Meyers  
6 violated California Business and Professions Code sections 10177, subdivision (h) and 10159.2.

7  
8 **Costs**

9 8. California Business and Professions Code section 10106 authorizes the  
10 Department to recover its reasonable costs of investigation and enforcement in disciplinary  
11 proceedings. The Department has incurred \$6,831.25 in reasonable costs.

12 9. In *Zuckerman v. State Board of Chiropractic Examiners*, 29 Cal. 4th 32,  
13 45 (2002), the California Supreme Court established standards for determining whether costs  
14 should be assessed in the particular circumstances of each case, to ensure that licensees are not  
15 deterred from exercising their right to an administrative hearing. Among those standards are  
16 whether or not the licensee was successful at hearing in getting the charges reduced or outright  
17 dismissed; the licensee's good faith belief in the merits of his or her position; whether the  
18 licensee has raised a colorable challenge to the proposed discipline; the financial ability of the  
19 licensee to pay, and whether the scope of the investigation was appropriate to the alleged  
20 misconduct. Meyers is one of eleven respondents named in the First Amended Accusation.  
21 Hence it is reasonable for Meyers to pay \$1,665.51, which is 1/11th of \$18,320.60, the total cost  
22 of investigation and enforcement.

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ORDER

*Katy Meyers*

1. Katy Meyers' broker real estate license and licensing rights under the Real Estate Law are suspended for a period of forty-five (45) days from the effective date of this Decision:

A. Provided, however, that the initial fifteen (15) days of said suspension shall be stayed upon condition that Meyers pays a monetary penalty pursuant to California Business and Professions Code section 10175.2 at the rate of \$100.00 per day for a monetary penalty of \$1,500.00 total.

i. Said payment shall be in the form of a cashier's check or certified check made payable to the Recovery Account of the Real Estate Fund. Said check must be received by the Department of Real Estate prior to the effective date of the Decision in this matter.

ii. No further cause for disciplinary action against the real estate license of Meyers occurs within two (2) years from the effective date of the Decision in this matter.

iii. If Meyers fails to pay the monetary penalty in accordance with the terms of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension, in which event Meyers shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department of Real Estate under the terms of this Decision.

iv. If Meyers pays the monetary penalty and if no further cause for disciplinary action against the real estate license of Meyers occurs within two (2) years from the effective date of the Decision, the stay hereby granted shall become permanent.

B. The remaining thirty (30) days of the forty-five (45) day suspension shall be stayed for two (2) years upon the following terms and conditions:

i. Meyers shall obey all laws, rules, and regulations governing the rights, duties, and responsibilities of a real estate licensee in the State of California; and



1           ii.       That no final subsequent determination be made after hearing or upon  
2 stipulation, that cause for disciplinary action occurred within two (2) years from the effective  
3 date of this Decision. Should such a determination be made, the Commissioner may, in his  
4 discretion, vacate, and set aside the stay order and re-impose all or a portion of the stayed  
5 suspension. Should no such determination be made, the stay imposed herein shall become  
6 permanent.

7           2.       Meyers shall within thirty (30) days from the effective date of this  
8 Decision and Order, pay the sum of \$1,665.51 toward the Commissioner's reasonable cost for  
9 investigation and enforcement which led to this disciplinary action. Said payment shall be in the  
10 form of a cashier's check made payable to the Department of Real Estate. The investigative and  
11 enforcement costs must be delivered to the Department of Real Estate, Flag Section at P.O. Box  
12 137013, Sacramento, CA 95813-7013, within thirty (30) days from the effective date of this  
13 Decision and Order. If the costs of investigation and enforcement are not paid within thirty (30)  
14 days from the effective date of this Decision and Order, the licenses and license rights of Meyers  
15 shall automatically be suspended until full payment is made.

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1 *Teresa Beckett, Christine Ann Meza, Cathy Allcorn-Downing, Julie Ann Erwin, and Ruben*  
2 *Alberto Meza*

- 3           3.     The First Amended Accusation against Teresa Beckett is dismissed.  
4           4.     The First Amended Accusation against Christine Ann Meza is dismissed.  
5           5.     The First Amended Accusation against Cathy Allcorn-Downing is  
6 dismissed.  
7           6.     The First Amended Accusation against Julie Ann Erwin is dismissed.  
8           7.     The First Amended Accusation against Ruben Alberto Meza is dismissed.

9           This Decision shall become effective at 12 o'clock noon on

10 5/01/2024.

11           IT IS SO ORDERED 4/8/2024.


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CHIKA SUNQUIST  
REAL ESTATE COMMISSIONER

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By: MARCUS L. McCARTHER  
Chief Deputy Real Estate Commissioner

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**FILED**

DEC 12 2023

DEPT. OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of ) DRE No. H-05234 SD  
MIGUEL ANGEL MANZANARES, individually and )  
designated officer of Flagship Real Estate Group, ) OAH No. 2023050133  
FLAGSHIP REAL ESTATE GROUP, CASA GRAN )  
REAL ESTATE, INC., doing business as Padre )  
Mortgage, KATY MEYERS, individually and as )  
designated officer of Casa Gran Real Estate, Inc., )  
BRIDGET ROSE MANZANARES, TESSA MARIE )  
BECKETT, CHRISTINE ANNE MEZA, CATHY )  
VERONICA-ALLCORN-DOWNING, BLANCA )  
RAQUEL MARQUEZ, JULIE ANN ERWIN, and )  
RUBEN ALBERTO MEZA, )

Respondents.

NOTICE

TO: MIGUEL ANGEL MANZANARES, Respondent, and , their Counsel.

YOU ARE HEREBY NOTIFIED that the Proposed Decision herein dated  
October 31, 2023, of the Administrative Law Judge is not adopted as the Decision of the Real  
Estate Commissioner. A copy of the Proposed Decision dated October 31, 2023, is attached hereto  
for your information.

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1 In accordance with Section 11517(c) of the Government Code of the State of  
2 California, the disposition of this case will be determined by me after consideration of the record  
3 herein, which may include the transcript of the proceedings held on Friday, September 29, 2023,  
4 and any written argument hereafter submitted on behalf of respondent and complainant.

5 Written argument of respondent to be considered by me must be submitted within 15  
6 days after receipt of the transcript of the proceedings of Friday, September 29, 2023, at the Los  
7 Angeles office of the Department of Real Estate unless an extension of the time is granted for good  
8 cause shown.

9 Written argument of complainant to be considered by me must be submitted within  
10 15 days after receipt of the argument of respondent at the Los Angeles Office of the Department of  
11 Real Estate unless an extension of the time is granted for good cause shown.

12  
13  
14 DATED: 12/4/23.

15 DOUGLAS R. McCAULEY  
16 REAL ESTATE COMMISSIONER

17  
18  A black rectangular redaction box covers the signature of Douglas R. McCauley. The box is positioned to the right of the typed name and title. There are some faint blue marks below the box.

**BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA**

**In the Matter of the First Amended Accusation Against:**

**MIGUEL ANGEL MANZANARES, individually and as  
designated office of FLAGSHIP REAL ESTATE GROUP;**

**FLAGSHIP REAL ESTATE GROUP;**

**CASA GRAN REAL ESTATE INC, d.b.a. PADRE MORTGAGE;**

**KATY MEYERS, Individually and as designated officer of**

**CASA GRAN REAL ESTATE INC;**

**BRIDGET ROSE MANZANARES;**

**TERESA MARIE BECKETT;**

**CHRISTINE ANN MEZA;**

**CATHY VERONICA ALLCORN-DOWNING;**

**BIANCA RAQUEL MARQUEZ;**

**JULIE ANN ERWIN; and**

**RUBEN ALBERTO MEZA; Respondents**

**Agency Case No. H-05234 SD**

**OAH No. 2023050133**

## **PROPOSED DECISION**

Administrative Law Judge Traci C. Belmore, Office of Administrative Hearings, State of California, heard this matter on September 28 and 29, 2023, by videoconference.

Counsel Steve Chu represented complainant, Veronica Kilpatrick, Supervising Special Investigator, Department of Real Estate.

Attorney Eric Ginder represented respondent Katy Meyers.

Respondents Teresa Marie Beckett, Ruben and Christine Ann Meza, Cathy Veronica Allcorn-Downing, and Julie Erwin, each represented themselves.

The record was closed, and the matter was submitted for decision on September 29, 2023.

## **FACTUAL FINDINGS**

### **Jurisdictional Matters**

1. On January 11, 2022, complainant Veronica Kilpatrick, in her official capacity as Supervising Special Investigator for the Department of Real Estate (department), issued a first amended accusation alleging four causes for discipline against respondents Miguel Manzanares, both individually and as designated officer of Flagship Real Estate Group; Flagship Real Estate Group, Casa Gran Real Estate Inc., doing business as Padre Mortgage; Katy Meyers, both individually and as designated officer of Casa Gran Real Estate Inc., Bridget Manzanares, Teresa Marie Beckett, Ruben

and Christine Meza<sup>1</sup>, Cathy Allcorn-Downing, Bianca Marquez, and Julie Erwin. The causes for discipline are generally described as follows: engaging in licensed activity without a valid license; use of unlicensed fictitious business name; failure to inform commissioner of branch address; and failure to supervise. Respondents filed timely notices of defense and this hearing followed.

2. Respondents Miguel and Bridget Manzanares, Bianca Marquez, Flagship Real Estate Group, and Casa Gran Real Estate Group reached stipulated agreements with the department. As a result, the hearing proceeded only against the remaining respondents, Katy Meyers for failure to supervise and Teresa Beckett, Ruben and Christine Meza, Julie Erwin, and Cathy Allcorn-Downing, for engaging in licensed activity without a valid broker affiliation.

## **Background**

### **LICENSE HISTORY**

#### **Miguel Manzanares**

3. On November 6, 2002, the department issued a conditional salesperson license to Miguel Manzaneras. That license was suspended indefinitely effective December 6, 2008, pursuant to Family Code section 17520 (failure to pay child support). The suspension was lifted on December 11, 2009. The salesperson license expired on April 17, 2012.

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<sup>1</sup> For ease of reference Christine and Ruben Meza will be referred to by their first names.

4. On November 18, 2013, the department issued a restricted broker license to Miguel Manzaneras<sup>2</sup>. He began doing business as Flagship Real Estate Group on March 30, 2015.

5. On August 18, 2018, Miguel's restricted broker license was suspended indefinitely for failure to pay child support. The suspension was released on August 23, 2018.

6. On January 17, 2019, Miguel's restricted broker license was again suspended indefinitely for failure to pay child support. The suspension was released on October 17, 2019.

7. Miguel was licensed as an officer of Flagship Real Estate Group (Flagship) from January 13, 2017, through June 30, 2021.

### **Bridget Manzanares**

8. On December 9, 2010, the department issued a salesperson license to Bridget Manzanares.

9. Bridget affiliated with Miguel as her responsible broker on January 20, 2015.

10. On September 15, 2017, Bridget changed her responsible broker to Flagship, with the address of 531 Encinitas Boulevard in Encinitas, California. Her

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<sup>2</sup> Miguel and Bridget Manzanares will be referred to by their first names for ease of reference.



affiliation with Flagship as her responsible broker was discontinued on August 18, 2018, due to the non-working status of the corporation.

11. On November 7, 2018, Bridget affiliated with Miguel as her responsible broker. That affiliation was discontinued on December 8, 2018.

12. On February 20, 2019, Bridget's license was renewed late with no responsible broker affiliation.

13. On February 22, 2019, Bridget affiliated with Casa Gran Real Estate Inc. (Casa Gran), as the responsible broker.

14. On December 20, 2019, Bridget affiliated with Miguel as her responsible broker.

### **Flagship Real Estate Group**

15. On January 13, 2017, the department issued a corporation license to Flagship with Miguel as restricted designated officer with 531 Encinitas Boulevard (Blvd.) designated as the main office and mailing address.

16. On August 18, 2018, the main office address was discontinued due to the suspension of Miguel, the designated officer.

### **Casa Gran Real Estate Inc.**

17. On September 20, 2005, the department issued a corporation license to Casa Gran. The office and mailing address for this license was 1613 Linda Sue Lane in Encinitas. This license was never affiliated with the address on Encinitas Blvd. The license was in full force and effect at all times relevant to this matter and was surrendered in connection with this matter on May 30, 2023.

18. On October 28, 2009, the corporation added doing business as Padre Mortgage to the license.

19. On January 23, 2013, a company mortgage loan originator license endorsement was added to the license.

20. As of January 1, 2015, Katy Meyers was the designated officer.

### **Katy Meyers**

21. On June 29, 2004, the department issued a broker license to respondent Katy Meyers. The license was in full force and effect at all times relevant to this matter. The license will expire on June 28, 2024, unless renewed.

22. On January 24, 2013, the department added an individual mortgage loan originator license endorsement to respondent Meyers broker license.

### **Teresa Beckett**

23. On October 1, 2018, the department issued a salesperson license to Teresa Beckett. The license was in full force and effect at all times relevant to this matter and expired on September 30, 2022.

24. On November 6, 2018, Beckett affiliated with Miguel as her responsible broker. That affiliation was discontinued on January 17, 2019, due to Miguel's non-working status.

25. On March 6, 2019, Beckett affiliated with R-Mac Properties Inc. (R-Mac), as her responsible broker.

## **Christine Meza**

26. On February 26, 2014, the department issued a salesperson license to Christine Manzanares. The license was in full force and effect at all times relevant to this matter and will expire on February 25, 2026, unless renewed.

27. On January 31, 2015, Christine affiliated with Miguel as her responsible broker.

28. On January 31, 2017, the name for the salesperson license was changed to Christine Meza.

29. On January 23, 2018, Christine affiliated with Flagship as her responsible broker. That affiliation was discontinued on August 17, 2018, due to the non-working status of the corporation.

30. On November 6, 2018, Christine affiliated with Miguel as her responsible broker. That affiliation was discontinued due to Miguel's non-working status on January 17, 2019.

31. On February 27, 2019, Christine affiliated with Casa Gran as her responsible broker.

32. On December 20, 2019, Christine affiliated with Miguel as her responsible broker.

## **Cathy Allcorn-Downing**

33. On April 25, 2017, the department issued a salesperson license to Cathy Allcorn-Downing. The license was in full force and effect at all times relevant to this matter and will expire on April 24, 2025, unless renewed.

34. On February 5, 2018, Allcorn-Downing affiliated with Flagship as her responsible broker. That affiliation was discontinued on August 18, 2018, due to the non-working status of the corporation.

35. On November 6, 2018, Allcorn-Downing affiliated with Miguel as her responsible broker. That affiliation was discontinued on January 17, 2019, due to Miguel's non-working status.

36. On February 27, 2019, Allcorn-Downing affiliated with Casa Gran as her responsible broker.

37. On June 18, 2019, Allcorn-Downing affiliated with Dave Stubbs Real Estate Inc., as her responsible broker.

### **Julie Erwin**

38. On February 27, 2001, the department issued a restricted salesperson license to Julie Erwin.

39. On July 11, 2002, the department issued an unrestricted salesperson license to Erwin. The license was in full force and effect at all times relevant to this matter and expired on July 24, 2022.

40. On August 8, 2018, Erwin affiliated with Flagship as her responsible broker. That affiliation was discontinued on August 18, 2018, due to the non-working status of the corporation.

41. On November 13, 2018, Erwin affiliated with Miguel as her responsible broker. That affiliation was discontinued on January 17, 2019, due to Miguel's non-working status.

42. On February 27, 2019, Erwin affiliated with Casa Gran as her responsible broker.

43. On December 20, 2019, Erwin affiliated with Miguel as her responsible broker again.

### **Ruben Meza**

44. On June 30, 2004, the department issued a conditional salesperson license to Ruben Meza. That license was suspended on December 31, 2005, for failure to meet the education requirements. The license was reinstated on February 6, 2006. The license expired on June 29, 2008.

45. On February 20, 2014, the department issued a salesperson license to Ruben. The license was in full force and effect at all times relevant to this matter and will expire on February 19, 2026, unless renewed.

46. On January 31, 2015, Ruben affiliated with Miguel as his responsible broker.

47. On January 24, 2018, Ruben changed his responsible broker to Flagship. That affiliation was discontinued on August 118, 2018, due to the non-working status of the corporation.

48. On November 6, 2018, Ruben affiliated with Miguel as his responsible broker. That affiliation was discontinued on January 17, 2019, due to Miguel's non-working status.

49. On February 22, 2019, Ruben affiliated with Casa Gran as his responsible broker.

50. On December 20, 2019, Ruben affiliated with Miguel as his responsible broker.

### **Bianca Marquez**

51. On January 31, 2018, the department issued a salesperson license to Bianca Marquez. The license was in full force and effect at all times relevant to this matter and expired on January 30, 2022. The license was surrendered as a result of this matter on June 28, 2023.

52. On February 5, 2018, Marquez affiliated with Flagship as her responsible broker. That affiliation was discontinued on August 18, 2018, due to the non-working status of the corporation.

53. On November 8, 2018, Marquez affiliated with Miguel as her responsible broker. That affiliation was discontinued on January 17, 2019, due to Miguel's non-working status.

54. On February 22, 2019, Marquez affiliated with Casa Gran as her responsible broker. That affiliation was discontinued on June 13, 2019.

### **Investigation**

55. On February 20, 2019, the department sent letters, via email, to respondents Allcorn-Downing, Beckett, Erwin, Ruben, and Christine informing them that the department had updated its records "to indicate that you are no longer in the employ" of Miguel. The change was effective January 17, 2019. The letter further stated that prior to engaging in licensed activities, respondents must be affiliated with a responsible broker.

56. On May 21, 2019, Sara Knapton, Special Investigator for the department, sent a letter to Casa Gran, stating that it was inquiring into the real estate activities of Allcorn-Downing, Erwin, Bridget, Marquez, Christine, and Ruben. The letter stated that the department believed those individuals were still operating under Flagship although Casa Gran was their responsible broker. The letter requested all active and closed transactions for each agent since February 2019, their broker sales agreement, and an explanation of how Meyers supervised the agents.

57. Knapton received a reply via email from Bridget on June 5, 2019, requesting additional time to comply with the documents request. The email stated that the agents were Bridget's "team" and that she had decided to move her team to a broker "that I trust" after the suspension of Miguel's license. Bridget claimed they were operating as "Casa Gran, Flagship Team." She stated that she was going to take the examination to obtain her broker license and then would resume doing business as Flagship. Bridget stated that she was the team lead and that she supervised her agents "by coaching, mentoring, clear cut policies and procedures, offering one on one support, and conducting office meetings."

58. Knapton also sent emails to Meyers requesting a written statement from her and the entire transaction file for any transactions closed by the agents. Meyers responded on June 6, 2019, by sending Knapton the link to a Google drive.

## **Transactions**

### **219 LOMA ALTA**

59. On January 28, 2019, Marquez signed a purchase agreement listing Flagship as the brokerage firm for the property at 219 Loma Alta. This was after the

affiliation with Miguel was discontinued but before her affiliation with Casa Gran began.

60. Escrow closed on this transaction on March 1, 2019. A commission disbursement authorization form signed by Miguel on March 4, 2019, stated that the total commission was \$14,000 and that checks were to be sent to Catherine Settle and Casa Gran for \$400, Bianca Marquez for \$6,400, and Bridget for \$6,800. A check in the amount of \$400 was issued to Casa Gran "C/O Flagship Real Estate Group" to the Encinitas Blvd. address. This was approximately one week after Marquez affiliated with Casa Gran.

### **860 TURQUOISE ST.**

61. On January 20, 2019, Allcorn-Downing signed a purchase agreement for a property at 860 Turquoise with Flagship as the brokerage firm. This was after the affiliation with Miguel was discontinued but before her affiliation with Casa Gran began.

62. Escrow closed on this transaction on February 20, 2019. The commission disbursement authorization form that was signed by Allcorn-Downing and Miguel, stated that the total commission was \$7,875 and that checks were to be sent to "TBD" for \$450, Allcorn-Downing for \$3,487.50, and Flagship for \$3,937.50. This form was on Flagship letterhead and stated the checks should be sent to the Encinitas Blvd. address. This transaction closed prior to Allcorn-Downing's affiliation with Casa Gran.

### **2018 SHADYTREE LANE**

63. On February 24, 2019, Erwin signed a purchase agreement for the property at 2018 Shadytree Lane with Flagship as the brokerage firm. This was after



the affiliation with Miguel was discontinued but before her affiliation with Casa Gran began.

64. Escrow closed on this transaction on March 27, 2019. The unsigned commission disbursement authorization form stated that the total commission was \$17,012.50 and that checks were to be sent to Catherine Settle and Casa Gran in the amount of \$400, Erwin for \$2,551, and Bridget for \$13,651.50. This form was on Flagship letterhead and stated the checks should be sent to the Encinitas Blvd. address. The checks for Erwin, Settle, and Casa Gran were sent to the Encinitas Blvd. address.

#### **4125 LAKE BLVD.**

65. On January 8, 2019, Beckett signed a listing agreement for the property at 4125 Lake Blvd. with Flagship as the brokerage firm. This was while Miguel's broker license was still active. A purchase agreement was signed by Miguel but not Beckett on February 6, 2019. The purchase agreement was signed after Beckett's affiliation with Miguel ended but prior to her affiliation with R-Mac began.

66. Escrow closed on February 28, 2019. The commission disbursement authorization form that was signed by Beckett and Miguel on February 13, 2019, stated that the total commission was \$9,780 and that checks were to be sent to Catherine Settle for \$400, Christine Meza for \$489, Beckett for \$3,044.55, and Flagship for \$5,846.45. This form was on Flagship letterhead and stated the checks should be sent to the Encinitas Blvd. address.

## **16576 CALLE PULIDO**

67. On March 11, 2019, Christine signed a purchase agreement for the property at 16576 Calle Pulido with Casa Gran as the brokerage firm. This was after Christine had affiliated with Casa Gran.

68. Escrow closed on April 12, 2019. The commission disbursement authorization from that had a signature of "Casa Gran RE" above a line that it was authorized by Bridget, stated that the total commission was \$19,400 and that checks were to be sent to Catherine Settle and Casa Gran for \$400, Christine for \$12,610, and Bridget for \$5,990. This form was on Flagship letterhead and stated the checks should be sent to the Encinitas Blvd. address. The checks for Casa Gran and Christine were sent to the Encinitas Blvd. address.

## **516 EASTMONT AVE.**

69. On April 25, 2019, Ruben signed a listing agreement for the property at 516 Eastmont Ave. with Flagship as the brokerage firm.

70. On May 6, 2019, Christine and Ruben signed a purchase agreement for the Eastmont property, Christine as the seller's agent and Ruben as the buyer's agent. They both listed Casa Gran as the brokerage firm.

71. Escrow closed on May 13, 2019. The commission disbursement authorization form that was signed by Ruben and Bridget, stated that the total commission was \$10,072.20 and that checks were to be sent to Catherine Settle and Meyers for \$400, Ruben for \$6,550.54, and Bridget for \$2,621.66. This form was on Flagship letterhead and stated the checks should be sent to the Encinitas Blvd. address. The checks for Meyers and Ruben were sent to the Encinitas Blvd. address.

72. A separate commission disbursement form was signed by Bridget, on behalf of Casa Gran, and Christine on May 10, 2019. The form stated that the total commission was \$10,072.20 and that checks were to be issued to Christine for \$7,050.54 and Bridget for \$3,021.66. This form was on Flagship letterhead and stated the checks should be sent to the Encinitas Blvd. address.

### **7393 MELODIA TERRACE**

73. On April 3, 2019, Bridget signed a purchase agreement for the property at 7393 Melodia Terrace with Casa Gran as the Brokerage firm. This agreement was signed after Bridget had affiliated with Casa Gran.

74. Escrow on this transaction closed on April 24, 2019. The commission disbursement authorization form dated April 23, 2019, had a signature of "Casa Gran" above a line that it was authorized by Casa Gran, stated that the total commission was \$36,125 and that checks were to be sent to Catherine Settle for \$500, Meyers for \$400, and Bridget for \$35,225. This form was on Flagship letterhead and stated the checks should be sent to the Encinitas Blvd. address.

## **Respondents' Evidence**

### **BECKETT**

Beckett's testimony is summarized as follows. She was a new agent in a training program with Miguel. She was never affiliated with Casa Gran or Meyers. She signed the listing agreement for the Lake property on January 2, 2019. The listing agreement shows a date of January 8, 2019, and was signed using DocuSign. The agreement begins on January 2, 2019, and Beckett is sure she signed it on the date the agreement began. She did not know why the signature shows January 8, 2019.

75. On February 4, 2019, she was no longer affiliated with Miguel. Unbeknownst to her, Miguel emailed the buyers with a counteroffer. The purchase agreement was not signed by her. She did receive a commission check in March 2019.

76. She was never informed by Miguel that his license was suspended, and she did not perform any licensed activities after January 16, 2019. Allcorn-Downing was the one who informed her of the broker affiliation change.

### **ALLCORN-DOWNING**

77. Allcorn-Downing's testimony is summarized as follows. She had to go through a six-month program with Flagship during which she was to sell five houses. She completed the program and then affiliated with Flagship. She was struggling financially so she took a job with a veterinarian's office. A client she had a prior transaction called her and she went into escrow on the Turquoise St. property on January 21, 2019, and escrow closed on February 22, 2019. Miguel never informed her of his suspension.

78. She was affiliated with Casa Gran from February to June 2019. She changed her broker affiliation to Casa Gran because Bridget gave her a letter telling her to "hang her license" with Casa Gran. She changed her affiliation on the same day Bridget gave her the letter. She performed no licensed activities between the time the Turquoise St. property closed and when she left Casa Gran. She never met or talked with Meyers.

79. She is very angry with Miguel and Bridget and regrets meeting them. She believes the agents and Meyers are victims of Miguel and Bridget's wrongdoing.

## **ERWIN**

80. Erwin's testimony is summarized as follows. She was unaware that she was not affiliated with any broker between January 17 and February 26, 2019. Bridget told her to change her broker affiliation to Casa Gran on February 27, 2019. She was informed and believed the change in broker affiliation was a formality and that she was still operating with Flagship. She recalled attending weekly meetings at the Encinitas Blvd. location. She never met or talked to Meyers.

## **RUBEN MEZA**

81. Ruben's testimony is summarized as follows. He has been an agent for almost 20 years. He is a full-time agent. He never felt the need to look over the shoulder of his broker. He followed the direction of Miguel and Bridget. He has never been in trouble with his license. He did not receive the letter from the department in February because it was sent to an email address they were no longer using. When he was made aware of the allegations at issue here, he was shocked.

82. Bridget told him to change his affiliation to Casa Gran. He trusted his broker, so he changed the affiliation. He believed he was affiliated with Casa Gran, Flagship, and Miguel. He never met with Meyers.

## **CHRISTINE MEZA**

83. Christine's testimony is summarized as follows. She and Ruben work as a team. She was not in the office every day. She did attend the weekly meetings that were conducted by Bridget. Bridget told her to "park" her license with Casa Gran but that it was a mere formality. She had no idea of Miguel's license suspension. She was

not aware that she was no longer affiliated with Miguel. She continued doing business as Flagship because that was what Bridget told her to do.

## **MEYERS**

84. Meyers' testimony is summarized as follows. She has been a licensed broker for almost 20 years. She also holds a mortgage loan originator endorsement. Neither her license nor her endorsement have ever been disciplined or sued. Casa Gran was the corporation for the real estate side of the business. She primarily handles mortgages not real estate sales.

85. Over the years she has had other agents affiliated with her broker's license. When she has agents affiliated with her license, she holds weekly meetings with them on a voluntary basis. The agents are independent contractors not employees and therefore meetings are not mandatory. She is generally available to her agents Monday through Friday from 9:00 a.m. to 9:00 p.m.

86. She met Bridget in 2014 when she interviewed to work in their real estate office.

87. In January 2019, Bridget approached her to have their agents "park" their licenses with her because Bridget believed that Miguel's license might be suspended. This arrangement was supposed to be short term, covering the period between Miguel's potential suspension and when Bridget was able to obtain her broker license.

88. Bridget never informed her of any pending transactions. She did not become aware of the transactions that closed while the agents' licenses were affiliated with her until the department contacted her.

89. Flagship was an entirely separate entity. The Encinitas Blvd. address was the office address for Flagship, and she never associated her license with that address. She did not sign any of the commission disbursement authorization forms, including the ones that were allegedly signed by Casa Gran. She signs for Casa Gran using her name and the title of president. She did not authorize Bridget to sign on behalf of Casa Gran.

90. She was unaware of any of the transactions that were done under the Flagship name by agents whose licenses were affiliated with Casa Gran prior to being notified by the department in June 2019.

## **Discussion**

91. It is clear that neither Bridget nor Miguel ever notified any of their agents of Miguel's suspension. The first information any of the respondents would receive about the suspension was the letter from the department dated February 20, 2019. It is also clear that Miguel and Flagship engaged in licensed activities during a time when their licenses were not valid.

92. Both Miguel and Bridget continued doing business as Flagship despite knowing that the Miguel's license was suspended. As Miguel was the designated officer for Flagship, that rendered Flagship's license invalid for conducting real estate transactions.

93. Bridget concealed the transactions being conducted by agents under the Flagship name while their licenses were affiliated with Casa Gran from both Casa Gran and Meyers. She continued using the Flagship letterhead and had all checks for those transactions sent to the Encinitas Blvd. address which was not the address for Casa Gran.

94. Beckett signed a listing agreement for the property at 4125 Lake Blvd. prior to Miguel's license suspension. She credibly testified that her only involvement in the transaction after signing the listing agreement was receiving a commission check. Even were she involved in the counteroffer and signing of the purchase agreement, they all occurred prior to her being notified that Miguel's license was suspended. The department failed to establish that Beckett knowingly conducted any licensed activity while Miguel's license was suspended.

95. Allcorn-Downing signed a purchase agreement for the property at 860 Turquoise St. three days after Miguel's license was suspended. At the time, she signed the agreement, she had no knowledge of the suspension. The transaction closed on February 22, 2019, prior to her affiliation with Casa Gran. She credibly testified that she had no knowledge of the suspension of Miguel's license and that she conducted no real estate activities while she was affiliated with Casa Gran. The department failed to establish that Allcorn-Downing knowingly conducted any licensed activity while Miguel's license was suspended.

96. Erwin signed a purchase agreement for the property at 2018 Shadytree Lane prior to her affiliation with Casa Gran. Erwin credibly testified that she had no knowledge of Miguel's license suspension or that she was unaffiliated between the time of the suspension and when she was told by Bridget to affiliate her license with Casa Gran. The department failed to establish that Erwin knowingly conducted any licensed activity while Miguel's license was suspended.

97. The transactions conducted by Ruben and Christine were conducted while their licenses were affiliated with Casa Gran. However, they were overseen by Bridget and Miguel not Casa Gran. It is clear that neither Bridget nor Miguel disclosed these transactions to Meyers. In fact, it appears that the transactions were actively



hidden from Casa Gran and Meyers by directing all correspondence to the Encinitas Blvd. address. Both Ruben and Christine credibly testified that they thought they were still operating under the Flagship umbrella and that they were told that change in broker affiliation was just a formality. Ruben believed he was affiliated with Casa Gran, Flagship, and Miguel and had no knowledge of Miguel's license suspension. Christine credibly testified that she had no idea of Miguel's license suspension and that she was no longer affiliated with Miguel or Flagship. The department failed to establish that Ruben and Christine knowingly conducted any licensed activity while Miguel's license was suspended.

98. Meyers is the designated officer for Casa Gran. As such, she is responsible for supervising the salespersons whose licenses are affiliated with Casa Gran in the performance of licensed activities. Bridget and Miguel actively hid from Meyers the transactions conducted by Ruben and Christine, Bridget, and Marquez under the Casa Gran license that she was responsible for supervising. Meyers credibly testified that she first became aware of the transactions being conducted as Flagship when she was contacted by the department. The department failed to establish that Meyers failed to supervise Casa Gran, Bridget, Marquez, and Ruben.

## **Costs**

99. In connection with the investigation and enforcement of this accusation, complainant requests an award of costs in the total amount of \$18,320.60. These costs reflect \$10,992 in enforcement costs and \$7,328.60 in investigative costs. Respondents Miguel and Flagship stipulated to pay costs in the amount of \$11,489.35 leaving a balance of \$6,831.25. Complainant requests an award for the balance against the remaining respondents. The request is supported by declarations that comply with the

requirements of California Code of Regulations, title 1, section 1042. The amount of costs is reasonable.

## **LEGAL CONCLUSIONS**

1. The burden of proof is on the complainant to show cause for discipline by clear and convincing evidence. (*Small v. Smith* (1971) 16 Cal.App.3d 450,457; Evid. Code, § 500.) The burden is on respondent to show rehabilitation by a preponderance of the evidence. (Evid. Code, §§ 115, 500.)

2. Business and Professions Code section 10130 states it is unlawful to engage in the business of, act in the capacity of, advertise as, or assume to act as a real estate broker or salesperson while not properly licensed. While it is unquestioned that respondents Miguel, Bridget, and Flagship violated this section, the department failed to establish that any of the remaining respondents violated this section. As such, cause does not exist to impose discipline upon the licenses of respondents Beckett, Erwin, Allcorn-Downing, Ruben, and Christine under this section.

3. Business and Professions Code section 10137 states that is unlawful for a real estate broker to “retain, compensate, directly or indirectly” any person performing licensed activities who is not either a licensed real estate broker or salesperson and that no real estate salesperson shall accept compensation for licensed activities from any person other than the broker under whom they are licensed. Again, it was well established that respondents Miguel, Bridget, and Flagship violated this section. However, the department failed to establish that any of the remaining respondents violated this section. As such, cause does not exist to impose discipline upon the

licenses of respondents Beckett, Erwin, Allcorn-Downing, Ruben, and Christine under this section.

4. Business and Professions Code section 10177 authorizes the department to impose discipline upon the license of a licensee for willfully disregarding or violating real estate law (subd. (d)), demonstrating negligence or incompetence in performing licensed activities (subd. (g)), or engaging in fraudulent or dishonest dealing (subd. (j)). The department established that respondents Miguel, Bridget, and Flagship violated subdivisions (d), (g), and (j), it failed to establish that any of the remaining respondents violated those subdivisions. As such, cause does not exist to impose discipline upon the licenses of respondents Beckett, Erwin, Allcorn-Downing, Ruben, and Christine under these subdivisions.

5. Business and Professions Code section 10177, subdivision (h), authorizes the department to impose discipline upon a licensee for as a broker licensee, failing to exercise reasonable supervision over the activities of the licensee's salespersons. Respondents Bridget and Miguel actively hid transactions from Meyers during the time their agents' licenses were affiliated with Casa Gran. The department did not establish that Meyers failed to exercise reasonable supervision over her salespersons.

6. Business and Professions Code section 10159.2 states that an officer designated by a corporate broker license is responsible for the supervision of salespersons licensed to the corporation in the performance of licensed activities. Respondents Bridget and Miguel actively hid transactions from Meyers during the time their agents' licenses were affiliated with Casa Gran. The department did not establish that Meyers as the designated officer for Casa Gran failed to exercise reasonable supervision over her salespersons.

7. Because complainant, as set forth in the Factual Findings and Legal Conclusions above, failed to establish by clear and convincing evidence that the respondents engaged in the conduct alleged, cause does not exist to impose discipline upon their licenses.

## **Costs**

8. Business and Professions Code section 10106 authorizes the Department to recover its reasonable costs of investigation and enforcement in disciplinary proceedings. The Department has incurred \$6,831.25 in reasonable costs.

9. In *Zuckerman v. State Board of Chiropractic Examiners* (2002) 29 Cal.4th 32, 45, the California Supreme Court established standards for determining whether costs should be assessed in the particular circumstances of each case, to ensure that licensees are not deterred from exercising their right to an administrative hearing. Among those standards are whether or not the licensee was successful at hearing in getting the charges reduced or outright dismissed; the licensee's good faith belief in the merits of his or her position; whether the licensee has raised a colorable challenge to the proposed discipline; the financial ability of the licensee to pay, and whether the scope of the investigation was appropriate to the alleged misconduct. Respondents were successful in getting the charges against them dismissed. As a result, no cost recovery will be imposed.

## **ORDER**

1. The first amended accusation against Teresa Beckett is dismissed.
2. The first amended accusation against Katy Meyers is dismissed.

3. The first amended accusation against Cathy Allcorn-Downing is dismissed.
4. The first amended accusation against Julie Erwin is dismissed.
5. The first amended accusation against Ruben Meza is dismissed.
6. The first amended accusation against Chistine Meza is dismissed.

DATE: October 31, 2023



TRACI C. BELMORE  
Administrative Law Judge  
Office of Administrative Hearings