

FILED

APR 19 2022

DEPT. OF REAL ESTATE

By _____

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8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H-05269 SD
12)
12 BEACHSIDE REALTY SD INC; and)
13 STORMALEE GAIL ROGERS,)
13 individually and as designated officer) ACCUSATION
14 of Beachside Realty SD Inc,)
15 Respondents.)
16)

17 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the
18 State of California, acting in her official capacity, for cause of Accusation against
19 BEACHSIDE REALTY SD INC (“BRSI”) and STORMALEE GAIL ROGERS (“ROGERS”),
20 individually and as designated officer of Beachside Realty SD Inc, is informed and alleges as
21 follows:

22 1.

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

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2.

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

(License History: BRSI and ROGERS)

3.

a. BRSI presently has a restricted real estate corporation license (license no. 01921890) with the Department Real Estate. BRSI's real estate corporation license history is as follows:

Dates	License Status
November 14, 2012 to July 15, 2019	Plenary license
July 16, 2019 to August 13, 2019	Revoked license
August 14, 2019 through present	Restricted license

BRSI's only fictitious business name is "Beachside Realty," which has been active from on or about September 20, 2019 through the present. At all times herein, BRSI's designated officer has been ROGERS.

b. ROGERS presently has a restricted real estate broker license (license no. 01322868) with the Department Real Estate. ROGERS's real estate broker license history is as follows¹:

Dates	License Status
April 23, 2008 to July 15, 2019	Plenary license
July 16, 2019 to August 13, 2019	Revoked license
August 14, 2019 through present	Restricted license

¹ Rogers had a real estate salesperson license prior to obtaining a broker license.

1 At all times herein, ROGERS was and is BRSI's designated officer, president and sole officer,
2 director, and shareholder. At no time has ROGERS had a fictitious business name.

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4 (Prior License Discipline: BRSI and ROGERS)

5 4.

6 On or about July 27, 2018, an Accusation in case no. H-05010 SD was filed
7 against BRSI and ROGERS based on various violations found in Audit Report SD160048. On
8 or about June 18, 2019, the Commissioner issued a Decision, effective July 16, 2019, adopting
9 the Stipulation and Agreement thereby revoking the licenses and licensing rights of BRSI and
10 ROGERS; provided, however, a restricted real estate corporation license be issued to BRSI and
11 a restricted real estate broker license be issued to ROGERS pursuant to certain terms and
12 conditions. As more fully set forth in the Stipulation and Agreement, BRSI and ROGERS
13 violated, in part, Code sections 10145, 10176(i), and 10177(j) and Regulations sections 2831,
14 2831.1, 2831.2, 2832, and 2832.1, and ROGERS violated Code sections 10159.2 and 10177(h)
15 and Regulation section 2825.

16 5.

17 Whenever acts referred to below are attributed to BRSI and/or ROGERS, those
18 acts are alleged to have been done by BRSI and/or ROGERS, acting by
19 itself/herself/themselves, or by and/or through one or more agents, associates, affiliates, and/or
20 co-conspirators.

21 6.

22 At all times mentioned, in the County of San Diego, BRSI and ROGERS were
23 engaged in the business of a real estate broker conducting licensed activities within the
24 meaning of Code section 10131(b) ("[l]eases or rents or offers to lease or rent, or places for
25 rent, or solicits listings of places for rent, or solicits for prospective tenants, or negotiates the
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1 sale, purchase, or exchanges of leases on real property, or on a business opportunity, or collects
2 rents from real property, or improvements thereon, or from business opportunities”).

3
4 (Property Management Audit)

5 7.

6 On or about August 27, 2021, the Department of Real Estate completed a
7 follow-up audit examination of the books and records of BRSI to determine whether BRSI and
8 ROGERS handled and accounted for trust funds and conducted their real estate activities in
9 accordance with the Real Estate Law and Regulations. The audit examination covered a period
10 of time beginning on July 16, 2019 and ending on May 31, 2021. The audit examination
11 revealed violations of the Code and the Regulations set forth in the following paragraphs, and
12 more fully discussed in Audit Report SD200033 and the exhibits and work papers attached to
13 said audit report.

14
15 Trust Account

16 8.

17 At all times mentioned, in connection with the activities described in Paragraph
18 6, above, BRSI and ROGERS accepted or received funds including funds in trust (“trust
19 funds”) from or on behalf of actual or prospective parties, such as owners of real property, and
20 thereafter made deposits and/or disbursements of such funds. From time to time herein
21 mentioned, during the audit period, said trust funds were deposited and/or maintained by BRSI
22 and ROGERS in the trust accounts as follows:

23 *****6467
24 Enterprise Bank & Trust
25 11939 Rancho Bernardo Rd., Ste. 200
26 San Diego, CA 92128

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In the course of activities described in Paragraphs 6 and 8, above, and during the audit examination period in Paragraph 7, above, Respondents BRSI and ROGERS acted in violation of the Code and the Regulations as set forth below:

(a) Failed to maintain an accurate and complete separate record for each beneficiary or transaction, thereby failing to account for all trust funds received, deposited, and disbursed from TA, in violation of Code section 10145 and Regulations section 2831.1.

(b) Collected property management fees and disbursed owner proceeds before related rental receipts were deposited, in violation of Code section 10145(a). At times, these disbursements caused owners' balances to be a negative amount until the rental receipts were deposited.

(c) The overall conduct of ROGERS constitutes a failure on ROGERS's part, as officer designated by a corporate broker licensee, to exercise the reasonable supervision and control over the licensed activities of BRSI as required by Code section 10159.2 and Regulations section 2725.

10.

The conduct of Respondents BRSI and ROGERS described in Paragraph 9, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
9(a)	Code section 10145 and Regulations section 2831.1
9(b)	Code section 10145(a)
9(c)	Code section 10159.2 and Regulations section 2725

The foregoing violations constitute cause for discipline of the real estate license and license rights of Respondents BRSI and ROGERS under the provisions of Code sections 10177(d), 10177(g), and 10177(h).

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(COSTS)

11.

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

12.

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

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² In addition, the Decision in case no. H-05010 SD, which is described in Paragraph 4, above, provided BRDI and ROGERS shall pay Commissioner's reasonable cost, not to exceed \$13,225.15, for an audit subsequent to Audit Report SD160048.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against the license and license rights of BEACHSIDE REALTY SD INC and STORMALEE GAIL ROGERS under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code), for the cost of investigation and enforcement pursuant to Code section 10106 and as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law, including costs of audit pursuant to Code section 10148(b).

Dated at San Diego, California: April 18, 2022.

V Kilpatrick

Veronica Kilpatrick
Supervising Special Investigator

cc: Beachside Realty SD Inc
Stormalee Gail Rogers
Veronica Kilpatrick
Sacto
Enforcement
Audits – Jennifer Borromeo