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FILED

APR 26 2023

DEPT. OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-05725 SD
)	
THE MARR COMPANIES INC.,)	
)	<u>ACCUSATION</u>
)	
Respondent.)	
_____)	

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of California, for cause of Accusation against THE MARR COMPANIES INC. ("Respondent") alleges as follows:

1.

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

2.

All references to the "Code" are to the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, of the California Code of Regulations.

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ACCUSATION

1 LICENSE HISTORY

2 3.

3 a. Respondent THE MARR COMPANIES INC. ("TMCI") is presently licensed
4 and/or has license rights under the Code, as a corporate real estate broker with Department of
5 Real Estate ("Department") license ID 01485471.

6 b. TMCI's real estate license was originally issued on March 12, 2005, and is
7 scheduled to expire on April 19, 2026, unless renewed.

8 c. According to the Department's records to date, TMCI's main office address is
9 4540 Kearny Villa Road, Suite 223, San Diego, California.

10 d. Since April 20, 2022, TMCI's designated officer is Celona Kathleen Marr
11 ("Marr"). Marr is presently licensed as a real estate broker (Lic. ID 00551514). From on or
12 about March 12, 2017, through June 30, 2021, TMCI's designated officer was Ronald Scott
13 Marr¹ ("Ronald").

14 e. Since March 21, 2005, TMCI maintained the fictitious business names "The
15 Marr Company" and "Marr Property Management" under its real estate license with the
16 Department.

17 REAL ESTATE ACTIVITY

18 4.

19 At all times relevant herein Respondent TMCI was engaged in the business of,
20 acted in the capacity of, advertised or assumed to act as a real estate broker, within the meaning
21 of Code section 10131(b), by leasing or renting or offering to lease or rent, or placing for rent,
22 or soliciting listings of places for rent, or soliciting for prospective tenants, or negotiating the
23 sale, purchase or exchanges of leases on real property, or on a business opportunity, or
24
25

26
27 ¹ Ronald Scott Marr's real estate broker license (Lic. ID 01292931) expired on July 1, 2021. Ronald's officer
license expiration date of March 11, 2021, was extended to June 30, 2021, pursuant to Executive Order No. N-83-
20.

collecting rents from real property, or improvements thereon, or from business opportunities (“property management”).

CAUSE FOR ACCUSATION

(AUDIT NO. SD210034)

5.

On or about November 8, 2022, the Department completed an audit examination of the books and records of Respondent TMCI pertaining to its property management activities described in Paragraph 4, above. The audit examination covered the period of time from July 1, 2021 to April 29, 2022 (“audit period”). The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report No. SD210034 and the exhibits and work papers attached to said audit report.

6.

A Department auditor conducted an interview on May 17, 2022, at TMCI’s main office location. The auditor met with Marr and Ronald, TMCI’s former designated officer. Marr and Ronald were the primary persons who provided the records for the examination related to TMCI’s property management activities. According to Marr, Ronald, and the records provided, TMCI manages about thirty-nine (39) residential properties for approximately twenty-seven (27) owners. TMCI collects rents, pays expenses, and screens tenants for compensation.

7.

TMCI maintained (2) bank accounts for its property management activity during the audit period, which were used for the receipts and disbursements of rent trust funds for multiple beneficiaries in connection with TMCI’s property management activity. Said trust funds were deposited and/or maintained in the following bank accounts:

Bank Account (“BA 1”)

Bank:	Union Bank
Account Name:	The Marr Companies Inc DBA Marr Property Management
Account Number:	xxxxxx6186

1 Signatories: Ronald Scott Marr, James Edward Marr, Celona Kathleen Marr

2 Bank Account ("BA 2")

3 Bank: Union Bank

4 Account Name: The Marr Companies Inc DBA Marr Property Management

5 Account Number: xxxxx6178

6 Signatories: Ronald Scott Marr, James Edward Marr, Celona Kathleen Marr

7 Violations of the Real Estate Law

8 8.

9 The audit examination revealed violations of the Code and the Regulations, as
10 set forth in the following paragraphs, and more fully discussed in Audit Report No. SD210034
11 and the exhibits and work papers attached to the audit report:

12 **(a) Trust Fund Handling for Multiple Beneficiaries (Code section 10145, Regulations**
13 **section 2832.1).**

14 BA 1: As of April 29, 2022, there was a trust fund shortage of \$16,526.34 in BA
15 1. The shortage was caused by negative property balance of \$14,713.15, bank charges of \$35.00
16 and other charges of \$69.90. There was an unidentified shortage of \$1,708.29. The \$14,713.15
17 in negative property balances were caused by disbursements when there were insufficient funds
18 to do so.

19 BA 2: As of April 29, 2022, there was an unidentified trust fund shortage of
20 \$5,414.00 in BA 2.

21 **(b) Trust Fund Handling/Account Designation (Code section 10145, Regulations section**
22 **2832).** Based on a review of bank signature cards for BA 1 and BA 2, the bank accounts used
23 for the handling of all trust fund receipts and disbursements for TMCI were not set up as trust
24 accounts.

25 **(c) Trust Account Reconciliation (Code section 10145, Regulations section 2831.2).** TMCI
26 did not maintain an accurate record of monthly reconciliations for BA 1 and BA 2. The balance
27

1 of all the separate records comparing to the balance of the record of all trust funds received and
2 disbursed for BA 1 and BA 2 were inaccurate.

3 NO BROKER OFFICER SUPERVISION

4 9.

5 From June 30, 2021, through April 20, 2022, TMCI engaged in property
6 management, within the meaning of Code section 10131(b), that required a license without a
7 licensed designated officer to be responsible for the supervision and control of the activities
8 conducted on behalf of TMCI by its officers and employees to ensure compliance with the Real
9 Estate Law. Ronald's broker license expired on June 30, 2021. TMCI continued to engage in
10 property management while Ronald's license was expired in violation of Code section
11 Regulations section 2740. On or about April 20, 2022, Marr became the designated officer of
12 TMCI.

13 10.

14 Each of the foregoing violations in Paragraphs 8 and 9, above, constitutes cause
15 for the suspension or revocation of the real estate license and/or license rights of Respondent
16 TMCI under the provisions of Code sections 10177(d) and/or 10177(g).

17 COSTS

18 (AUDIT COSTS)

19 11.

20 Section 10148(b) of the Code, provides, in pertinent part, that the Real Estate
21 Commissioner shall charge a real estate broker for the costs of any audit if the Commissioner
22 has found in a final decision, following a disciplinary hearing, that the broker has violated
23 Section 10145 of the Code or a regulation or rule of the Commissioner interpreting said Code
24 section.

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26 ///

27 ///


(INVESTIGATION AND ENFORCEMENT COSTS)

13.

Section 10106 of the Code, provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department, 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.

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 all the licenses and/or license rights of Respondent THE MARR COMPANIES INC. under the Real Estate Law, for the costs of investigation, audit, and enforcement as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at San Diego, California this 20 day of April, 2023.


Veronica Kilpatrick
Supervising Special Investigator

cc: THE MARR COMPANIES INC.
Veronica Kilpatrick
Sacto.
Audits – Isabel Beltran