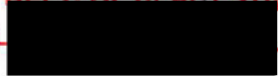


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**FILED**  
MAR 04 2026  
DEPT. OF REAL ESTATE  
By. 

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 In the Matter of the Accusation of

No. H-05813-SD

11 REAL ESTATE OF THE PACIFIC INC;  
12 VALARIE SUSAN SWANSON,  
13 individually and as designated officer of  
14 Real Estate of the Pacific Inc; KELLEN  
15 TIMOTHY PORTER, individually and as  
16 former branch manager of Real Estate of  
17 the Pacific Inc's branch office located at  
18 16915 Avenida de Acacias, Rancho Santa  
19 Fe, California; OLIVIA MARIE  
20 DUNHAM; NORTH COUNTY BROKER  
21 NETWORK INC; BRIAN JOHN  
22 WILLIAMS, individually and as designated  
23 officer of North County Broker Network  
24 Inc; and JOHN LAWRENCE MCKENZIE,

FIRST AMENDED ACCUSATION

Respondents.

20 **This First Amended Accusation amends the Accusation filed on April 30, 2025.** The  
21 Accusation filed on April 30, 2025 ("original Accusation"), is amended as follows: to revise and  
22 update the license expiration dates for Respondents VALARIE SUSAN SWANSON and NORTH  
23 COUNTY BROKER NETWORK INC in Paragraphs 3 and 6, respectively; to revise and update the  
24 license status of BRIAN JOHN WILLIAMS, and the license status and/or affiliation history of  
25 Respondents KELLEN TIMOTHY PORTER, OLIVIA MARIE DUNHAM and JOHN  
26 LAWRENCE MCKENZIE, in Paragraphs 4, 5, 7, and 8, respectively; to make minor clarifying  
27 revisions to allegations in the Third Cause of Accusation against JOHN LAWRENCE MCKENZIE  
28 in Paragraphs 64, 66, and 68; and to allege a new Seventh Cause of Accusation against Respondent

1 OLIVIA MARIE DUNHAM for violation of California Business and Professions Code sections  
2 10176, subdivisions (a) and (i), and 10177, subdivisions (j), and (d) and/or (g), adding new  
3 Paragraphs 78 through 90. Paragraph 78 in the original Accusation has been renumbered as  
4 Paragraph 91. No other parts of the original Accusation are affected.

5 Complainant, Veronica Kilpatrick, a Supervising Special Investigator for the Department of  
6 Real Estate (“Department” or “DRE”) of the State of California, acting in her official capacity as a  
7 Supervising Special Investigator, makes this Accusation against the following Respondents: REAL  
8 ESTATE OF THE PACIFIC INC (“REOTPI”); VALARIE SUSAN SWANSON (“SWANSON”),  
9 also known as Valarie Swanson, individually and as designated officer of REOTPI; KELLEN  
10 TIMOTHY PORTER (“PORTER”), individually and as former branch manager of REOTPI’s  
11 branch office located at 16915 Avenida de Acacias, Rancho Santa Fe, California 92067 (“Avenida  
12 de Acacias Branch Office”); OLIVIA MARIE DUNHAM (“DUNHAM”), formerly known as  
13 Olivia Marie Geilman; NORTH COUNTY BROKER NETWORK INC (“NCBNI”); BRIAN JOHN  
14 WILLIAMS (“WILLIAMS”), individually and as designated officer of NCBNI; and JOHN  
15 LAWRENCE MCKENZIE (“MCKENZIE”). Respondents REOTPI, SWANSON, DUNHAM,  
16 NCBNI, WILLIAMS, and MCKENZIE are referred to collectively herein as “Respondents.”  
17 Complainant, for cause of Accusation against Respondents, is informed and alleges in her official  
18 capacity as follows:

19 1. All references to the “Code” are to the California Business and Professions Code and  
20 all references to “Regulation” or “Regulations” are to Title 10, Chapter 6 of the California Code of  
21 Regulations.

### 22 **LICENSE HISTORY**

23 2. REOTPI has been licensed as a real estate corporation (“REC”), DRE real estate  
24 license identification number (“License ID”) 01767484, from on or about August 26, 2006, to the  
25 present, with REOTPI’s license scheduled to expire on or about October 14, 2026, unless renewed.  
26 REOTPI has been licensed through the real estate broker (“REB”) license of SWANSON, License  
27 ID 01803552, from on or about September 10, 2020, to the present, and SWANSON is REOTPI’s  
28 designated officer (“D.O.”). REOTPI was previously licensed through the REB license of Richard

1 Leon Hagen, License ID 01177122, from on or about April 29, 2009, until on or about September  
2 10, 2020. REOTPI maintains multiple fictitious business names (“dba(s)”), licensed with the DRE,  
3 including Pacific Sotheby’s International Realty (“PSIR”), which has been active from on or about  
4 October 25, 2010, to the present. REOTPI also maintains multiple branch offices, including the  
5 branch office located at 16915 Avenida de Acacias, Rancho Santa Fe, California 92067 (“Avenida  
6 de Acacias Branch Office”), which has been active from on or about April 4, 2014, to the present.  
7 Based on DRE records to date, REOTPI currently maintains five (5) licensed dbas, and 15 branch  
8 offices, and employs 59 broker associates and 491 salespersons.

9 3. SWANSON has been licensed as a REB, License ID 01803552, from on or about  
10 December 10, 2013, to the present, with SWANSON’s license scheduled to expire on or about  
11 December 9, 2029, unless renewed. SWANSON was previously licensed as a real estate salesperson  
12 (“RES”) from on or about April 19, 2007, to on or about December 9, 2013.

13 4. PORTER has been licensed as a RES, License ID 01906594, from on or about May  
14 31, 2012, through the present, with PORTER’s license scheduled to expire on or about August 2,  
15 2027, unless renewed. PORTER was employed by REOTPI from on or about February 26, 2021,  
16 to on or about August 1, 2023, and from on or about August 3, 2023, to on or about December 16,  
17 2024. PORTER is currently employed by REC Douglas Elliman Referral of California, Inc. From  
18 on or about December 21, 2021, to August 1, 2023, PORTER was appointed by REOTPI to be the  
19 branch manager for REOTPI’s Avenida de Acacias Branch Office, and PORTER was responsible  
20 for supervising the licensed activities of licensees assigned to REOTPI’s Avenida de Acacias Branch  
21 Office. According to DRE records to date, PORTER was branch manager for the following 11  
22 REOTPI branch offices between the start and end dates listed:

REOTPI Branch Office	Porter’s Start Date	End Date
1. 155 S Highway101 Ste 1-3, Solana Beach, CA	12/21/2021	03/13/2022
2. 687 S Coast Hwy Ste 103, Encinitas, CA	12/21/2021	08/01/2023
3. 687 S Coast Hwy Ste 102, Encinitas, CA	12/21/2021	08/01/2023
4. 2742 State St Ste 101, Carlsbad, CA	12/21/2021	08/01/2023
5. 1111 Prospect St, La Jolla, CA	12/21/2021	08/01/2023
6. 16915 Avenida De Acacias, Rancho Santa Fe, CA	12/21/2021	08/01/2023
7. 6024-D Paseo Delicias, Rancho Santa Fe, CA	12/21/2021	08/01/2023
8. 810 W Washington St, San Diego, CA	12/21/2021	10/25/2023

9. 16077 San Dieguito Rd Suite B1-B2, Rancho Santa Fe, CA	12/21/2021	11/22/2023
10. 330 S Cedros Ave Ste 203, Solana Beach, CA	12/21/2021	06/03/2024
11. 888 W Ash St, San Diego, CA	02/21/2023	08/01/2023

5. DUNHAM has been licensed as a RES, License ID 01856517, from on or about December 29, 2008, through the present. DRE records show that DUNHAM submitted a RES license renewal application and applicable fee before midnight of the last day of the period for which a previous license was issued, and she is currently licensed pursuant to Code section 10156.2. DUNHAM's RES license was affiliated with REOTIPI from on or about November 2, 2020, to on or about June 14, 2022, and from on or about November 14, 2022, to on or about July 31, 2023. According to DRE records to date, from on or about December 29, 2008, through the present, DUNHAM switched responsible brokers roughly 20 times. DUNHAM's RES license has been affiliated with the following responsible brokers:

Dates of Affiliation	Name of REC or REB	DRE License ID
1. 08/29/2025 to Present	LPT Realty, Inc	2248983
2. 06/04/2025 to 08/28/2025	Pellego, Inc.	2043232
3. 02/12/2025 to 06/03/2025	Orchard Brokerage of California, Inc.	2219388
4. 08/01/2023 to 02/11/2025	Lifestyles Realty Group, Inc	2048992
5. 11/14/2022 to 07/31/2023	Real Estate of the Pacific Inc	1767484
6. 06/15/2022 to 11/13/2022	Big Block Realty, Inc.	1885775
7. 11/02/2020 to 06/14/2022	Real Estate of the Pacific Inc	1767484
8. 08/25/2020 to 11/01/2020	FHL Realty, Inc.	2085208
9. 08/24/2019 to 08/24/2020	Lifestyles Realty Group, Inc	2048992
10. 04/18/2019 to 08/22/2019	Compass California, Inc.	1991628
11. 07/02/2018 to 04/17/2019	Simcoe, James Ian	1396524
12. 02/05/2018 to 07/01/2018	Coldwell Banker Residential Brokerage Company	616212
13. 10/19/2017 to 02/02/2018	Coldwell Banker Residential Brokerage Company	616212
14. 05/22/2017 to 10/18/2017	Shay Realtors, Inc.	1946504
15. 12/12/2016 to 04/27/2017	Redfin Corporation	1521930
16. 05/10/2016 to 12/11/2016	SDHomes Enterprises, Inc.	1931035
17. 03/28/2016 to 05/09/2016	Pasas Properties Inc	1834956
18. 04/15/2015 to 03/27/2016	SDHomes Enterprises, Inc.	1931035
19. 02/04/2015 to 03/25/2015	Fit Properties, Inc.	1910371
20. 02/03/2014 to 02/03/2015	SDHomes Enterprises, Inc.	1931035
21. 10/21/2010 to 12/28/2012	HouseRebate.com	1272286
22. 12/29/2008 to 10/20/2010	Mordoch, Ariel	1293335

According to SWANSON, DUNHAM was associated with REOTPI's Avenida de Acacias Branch Office.

6. NCBNI has been licensed as a REC, License ID 01875005, from on or about December 23, 2009, to the present, with NCBNI's license scheduled to expire on or about December

1 22, 2029, unless renewed. NCBNI has been licensed through the REB license of WILLIAMS,  
2 License ID 01387853, from on or about December 23, 2009, to the present, and WILLIAMS is  
3 NCBNI's D.O. NCBNI has a mortgage loan originator license ("MLO") endorsement from the  
4 DRE, and is licensed through the Nationwide Multistate Licensing System & Registry ("NMLS"),  
5 NMLS No. 338671. Based on DRE records to date, NCBNI currently maintains the following two  
6 (2) licensed dbas: The Broker Network ("TBN"), active as of April 12, 2013, and Home Financing  
7 Specialists, active as of December 3, 2018. Based on DRE records to date, NCBNI currently  
8 maintains one (1) branch office, and employs three (3) broker associates and 15 salespersons.

9 7. WILLIAMS has been licensed as a REB, License ID 01387853, from on or about  
10 February 22, 2006, through the present. DRE records show that WILLIAMS submitted a REB  
11 license renewal application and applicable fee before midnight of the last day of the period for which  
12 a previous license was issued, and he is currently licensed pursuant to Code section 10156.2.  
13 WILLIAMS has an MLO endorsement from the DRE, and is licensed through NMLS, NMLS No.  
14 244235. WILLIAMS was previously licensed as a RES from on or about June 26, 2003, to on or  
15 about February 21, 2006.

16 8. MCKENZIE has been licensed as a RES, License ID License ID 00961100, from on  
17 or about June 3, 1987, through the present, with MCKENZIE's license scheduled to expire on or  
18 about October 18, 2028, unless renewed. MCKENZE's RES license has been affiliated with NCBNI  
19 from on or about July 16, 2010, to on or about September 18, 2024, and from on or about January  
20 6, 2026, to the present.

21 **ACTIVITIES REQUIRING A REAL ESTATE LICENSE**

22 9. At all times alleged herein, in San Diego County, California, Respondents engaged  
23 in the performance of activities requiring a real estate license pursuant to Code section 10130, and  
24 acted, ordered, caused, authorized and/or participated in licensed activities for another or others for  
25 compensation or in expectation of compensation within the meaning of Code section 10131(a):  
26 selling or offering to sell, buying or offering to buy, soliciting prospective sellers or buyers of,  
27 soliciting or obtaining listings of, or negotiating the purchase or sale of real property.

28 ///

1 a. At all times alleged herein, REOTPI acted by and through SWANSON as its  
2 D.O. pursuant to Code Section 10159.2, and SWANSON was responsible for ensuring  
3 compliance with the Real Estate Law. At all times alleged herein, REOTPI acted by and  
4 through SWANSON and PORTER for the licensed activities of licensees assigned to  
5 REOTPI's Avenida de Acacias Branch Office pursuant to Code sections 10164(a), 10164(b),  
6 and 10177(h).

7 b. At all times alleged herein, NCBNI acted by and through WILLIAMS as its  
8 D.O. pursuant to Code Section 10159.2, and WILLIAMS was responsible for ensuring  
9 compliance with the Real Estate Law.

10 **FACTS DISCOVERED BY DRE**

11 10. On or about November 14, 2023, the DRE received a complaint from J.H. and A.H.<sup>1/</sup>  
12 regarding DUNHAM and PSIR, the dba licensed to REOTPI, alleging that on or about January 12,  
13 2023, escrow closed on real property purchased by J.H. and A.H. ("Buyers") located at 28949 Miller  
14 Road, Valley Center, CA 92082 ("Miller Property"), in which DUNHAM represented the Buyers  
15 as their real estate agent on behalf of PSIR. J.H. and A.H. alleged that DUNHAM provided them  
16 with incorrect and/or false information regarding the license status of a structural engineer that they  
17 hired based on DUNHAM's referral, and regarding whether a termite inspection had been done.  
18 Based on information discovered by the DRE, the chronology of events is as follows.

19 11. The Buyers, J.H. and A.H., are a married couple who have been licensed foster  
20 parents for over 20 years. In or about November 2022, the Buyers were looking to buy a home they  
21 could use both as their primary residence for their family and in which they could also provide a  
22 day space for foster kids. The Buyers were working with DUNHAM as their real estate agent and  
23 had communicated their desire to DUNHAM that they wanted the home they purchased to provide  
24 space for foster children during the daytime. The Buyers wanted to provide a space for foster  
25 children similar to the model used by Isaiah 117 House, an organization that provides comforting  
26 homes for children who have been removed from their family homes by child welfare services,  
27 where children can wait in a safe and friendly place and get clean clothes, toys, and blankets, before

28 <sup>1/</sup> Initials are used in place of an individual's full name to protect their privacy. Documents containing an individual's full name will be provided during the discovery phase of this case to Respondent and/or his attorney(s), after service of a timely and proper request for discovery on Complainant's counsel.

1 they are placed with foster parents. Isaiah 117 House takes its name from Isaiah 1:17 in the Bible,  
2 which states: “defend the cause of the fatherless.”

3 12. On or about November 10, 2022, N.H. and S.H. (“Sellers”) signed an exclusive  
4 Residential Listing Agreement to sell the Miller Property for \$699,000.00, with MCKENZIE, on  
5 behalf of NCBNI, dba TBN.

6 13. On or about November 12, 2022, MCKENZIE listed the Miller Property through the  
7 San Diego Multiple Listing Service (“MLS”). The MLS listing for the Miller Property stated the  
8 following in pertinent part:

9 Own a piece of Valley Center history! Built in 1885 Sherrards Chapel was the first  
10 Church in Valley Center. Converted over the years into a house, with added kitchen,  
11 and bedrooms, this sits on 3 acres looking over the valley. It is in impeccable  
12 condition, and sits adjacent to the Valley Center Cemetery. Home is now over 2000  
sf, and was originally 1000 sf. Home now has a 3 car detached garage, and lots of  
storage.

13 14. On or about November 20, 2022, DUNHAM, on behalf of the Buyers, prepared an  
14 offer to purchase the Miller Property for \$650,000.00 using a form titled California Residential  
15 Purchase Agreement and Joint Escrow Instructions (“RPA”), which was digitally signed by the  
16 Buyers using DocuSign on November 20, 2022.

17 15. On or about November 22, 2022, the Sellers of the Miller Property, digitally signed  
18 a counter offer to the Buyers, using a form titled Seller Multiple Counter Offer, which included but  
19 was not limited to a proposed sale price of \$685,000.00, and a close of escrow date of January 5,  
20 2023, with the Sellers to remain in possession of the Miller Property until January 31, 2023, at  
21 \$75.00 per day.

22 16. The Sellers were considering offers from different buyers, however, after Buyers J.H.  
23 and A.H. informed the Sellers that they intended to use the Miller Property as a space for foster  
24 children, and sent the Sellers information about Isaiah 117, the Sellers agreed to sell to the Buyers.  
25 J.H. believes that the Sellers picked the Buyers over others because the Buyers intended to provide  
26 a space for foster children.

27 17. On or about November 23, 2022, the Buyers accepted the Sellers’ counter offer and  
28 digitally signed the Seller Multiple Counter Offer form.

1           18.     On or about December 2, 2022, Triton Home Inspections (“Triton”) conducted an  
2 inspection of the Miller Property on behalf of the Buyers and prepared a report. Triton’s report,  
3 under the heading, “5: Foundation, Crawlspace & Structure,” stated the following, in relevant part:

4           a.       Under the subheading, “Limited Height,” the Triton report stated:

5                   All sections of the crawl space here, were not evaluated due to lack of access  
6 because the width was too narrow. Their condition is unknown except for  
7 what was observed from the entrance, so areas not traversed are excluded  
8 from this inspection. Recommend that conditions be corrected to allow a  
9 full evaluation of all crawl space areas.

10           b.       Under the subheading, “5.1.1 Foundation: Support Posts,” the Triton report  
11 stated:

12                   Some of the structure's support posts are supported with layers of wood.  
13 This may have been the original installation, but it is recommended to install  
14 posts that are of today's building standards.

15                   These posts may be doing their job, but are not of today's building standards.

16                   Also, more posts may be needed at some parts of the floor beams.

17                   Recommendation  
18                   Contact a qualified professional.

19 Triton’s report included photos of the Miller Property’s support posts, stacked wood, and concrete  
20 blocks and piers. According to J.H., the Triton inspector verbally recommended that the Buyers  
21 have a structural engineer inspect the foundation.

22           19.     Unbeknownst to the Buyers or Triton, there was a hatch in the living room that  
23 provided access to the crawl space which the Sellers did not disclose. J.H., at least one of the Sellers,  
24 and the agents for both parties were present on or about December 2, 2022, when the inspector from  
25 Triton stated that it was “too tight a fit” to access the crawl space from a hatch outside the kitchen,  
26 however, neither the Sellers, nor MCKENZIE, who was present, informed the inspector that the  
27 crawl space could be accessed from another hatch in the living room. Accessing the crawl space  
28 would have allowed the Triton inspector to identify a crack in a support beam, and he also would  
have identified wood rot in the subflooring below the bathroom and in a support beam, as was  
identified by Triton in its report dated May 5, 2023, prepared after the close of escrow, and after the  
Buyers asked Triton to conduct a further inspection.

///

1           20.     On or about December 4, 2022, based on Triton’s recommendations for the Miller  
2 Property in its December 2, 2022 report, including installing structural support posts meeting  
3 “today’s building standards,” the Buyers informed DUNHAM in an email that they could not afford  
4 to purchase the house if it required installing support beams under the house, noted that the Seller  
5 told the Buyers that he had installed new beams under the house about 20 years prior, but that the  
6 Buyers were not sure if the new beams were the stacked layers of wood identified by Triton, and  
7 asked DUNHAM to advise them. DUNHAM replied to the Buyers the same day, stating among  
8 other things:

9           I will get these photos of the post and piers to my contractor who would let us know  
10 the cost to properly upgrade these posts to what is required along with the seismic  
11 strapping that would be installed if you were building a raised foundation home  
today.

12 Apparently, DUNHAM’S reference to “photos of the post and piers” meant the photos included in  
13 subsection 5.1.1 about the Foundation in Triton’s report.

14           21.     On or about December 7, 2022, DUNHAM followed up with the Buyers by e-mail,  
15 stating in part:

16           I spoke with the two contacts I have for foundations and they recommend review  
17 by a structural engineer since the brick wall around the entire perimeter. They stated  
18 that is more structural than the piers in place...those are necessary but less than the  
perimeter wall.

19           22.     On or about December 13, 2022, DUNHAM e-mailed the Buyers stating she had  
20 located a structural engineer to conduct an inspection of the Miller Property. On or about December  
21 14, 2022, at 7:06 a.m., Mike Devine (“Devine”), the structural engineer located by DUNHAM, sent  
22 an e-mail message to the Buyers and DUNHAM attaching a proposal to inspect the Miller Property,  
23 with the subject line: “28949 Miller – Preliminary Structural Site Observation.” In Devine’s  
24 proposal, he stated that a lump sum fee of \$2,000.00 was due in advance. The same day at 1:14 p.m.,  
25 DUNHAM e-mailed the Buyers using Devine’s subject line, stating: “Hold tight on paying anything  
26 until I can verify his license. I’m awaiting the confirmation from this contact prior to confirming.”  
27 The same day at 1:45 p.m., DUNHAM e-mailed the Buyers again using Devine’s subject line,

28 ///

1 stating in part: "Confirmed and all set. He's a limited structural engineer per the state so he can  
2 access buildings for structural integrity and reporting purposes."

3 23. On or about December 14, 2022, at 6:37 p.m., J.H. e-mailed DUNHAM using  
4 Devine's subject line, stating in part: "[D]o you know what it means by limited Structural engineer?"  
5 The same day at 6:59 p.m., DUNHAM replied to J.H., stating: "He is limited as he has semi-retired  
6 so he now does less scopes of work. He only does visual site inspections for commercial and  
7 residential buildings and refers all plans and further work to his full time partner."

8 24. On or about December 20, 2022, based on the information that DUNHAM provided  
9 to the Buyers, the Buyers hired Devine and paid him \$2,000.00 to conduct a structural site inspection  
10 of the Miller Property. Devine conducted the inspection and provided the Buyers with a report dated  
11 December 29, 2022 ("Devine Report"). In the summary section of the Devine Report, Devine wrote,  
12 among other things: "There is no evident distress or 'red flags' that would stop this real estate  
13 transaction from a structural standpoint." On page 26 of the Devine Report, Devine listed his  
14 qualifications, in part, as follows: "Michael Devine is a retired California licensed civil engineer  
15 (CE45633) and structural engineer (SE4011). He was licensed as a CE from 1991 to 2021 and as an  
16 SE from 1996 to 2021 . . . ."

17 25. However, and unbeknownst to the Buyers until July 2023, both the structural  
18 engineer license issued to Devine, license number 4011, and the civil engineer license issued to  
19 Devine, license number 45633, had been revoked by the California Board for Professional  
20 Engineers, Land Surveyors, and Geologists, effective September 24, 2020. Thus, at the time that  
21 Devine conducted the inspection and completed his report for the Miller Property, he was not  
22 licensed as a civil engineer or a structural engineer, and he practiced or offered to practice civil and  
23 structural engineering in California without legal authorization, in apparent violation of the  
24 California Professional Engineers Act.

25 26. On or about December 24 and 27, 2022, the Sellers and Buyers, respectively, signed  
26 Addendum No. 1 to the RPA, in which the parties agreed that the sale price for the Miller Property  
27 would be \$672,000.00, and that the close of escrow date would be January 6, 2023.

28 ///

1           27.     On or about January 2, 2023, J.H. e-mailed DUNHAM with the subject line,  
2 “Termite,” asking if a termite inspection had been done on the Miller Property. On or about January  
3 3, 2023, DUNHAM replied to J.H.’s e-mail message stating: “Termite was done and no active  
4 infestation was found. They did note with the wood paneling to ensure yearly checks and maintain  
5 rain gutters as the wet weather or excessive moisture can be Damaging. Otherwise nothing noted.”  
6 During the DRE’s investigation of this transaction, DUNHAM stated that she, in fact, had never  
7 heard from the termite company regarding the Miller Property at issue.

8           28.     On or about January 5 and 6, 2023, the Buyers executed a form titled Amendment of  
9 Existing Agreement Terms No. 1, digitally signed via DocuSign, stating, “1. Close of Escrow is  
10 hereby extended to January 13, 2023,” and “2. Seller will not remain in property after closing. Time  
11 of possession of property to be upon notice of recordation.” On or about January 5, 2023, the Buyers  
12 and Sellers signed a form titled “Amended/Additional Escrow Instructions” stating that the Buyers  
13 and Sellers agreed to amend the closing of escrow to January 13, 2023.

14           29.     On or about January 13, 2023, escrow closed on the Miller Property.

15           30.     By arrangement between the Buyers and Sellers, the Buyers agreed to allow the  
16 Sellers to remain on the property as tenants after the close of escrow. On information and belief, the  
17 Sellers needed to remain on the property longer than expected for health needs of one of the Sellers.

18           31.     On or about April 13, 2023, the Buyers received the keys to the Miller Property and  
19 began renovations.

20           32.     On or about April 27, 2023, J.H.’s foot went through the flooring in the living room  
21 of the Miller Property. The same day, J.H. sent a text message to DUNHAM informing her that  
22 J.H.’s foot went through the floor and that a contractor had verbally informed J.H., after her foot  
23 went through the floor, that the inspection should have noted that the wood was rotten, and the  
24 support frames were not sufficient. Upon discovering such issues, the Buyers canceled their planned  
25 May 5, 2023, move-in date to the Miller Property.

26           33.     On or about April 28, 2023, J.H. e-mailed DUNHAM asking her, among other things,  
27 to provide the termite report that was done on the Miller Property.

28 ///

1           34.     On or about May 1, 2023, DUNHAM replied to J.H. that she was working through  
2 her notes to determine who did the termite inspection. It was later discovered that no termite  
3 inspection had been performed prior to close of escrow because, as DUNHAM later admitted, she  
4 failed to arrange a termite inspection.

5           35.     On or about May 5, 2023, the Buyers had another inspection performed by Triton on  
6 the Miller Property, and, this time, Triton was informed of the hatch in the living room to access the  
7 crawl space. In its Residential Report for the Miller Property dated May 5, 2023, Triton stated that  
8 wood rot was observed at the subflooring below the bathroom, the support beam was showing signs  
9 of wood rot, and all rotted wood should be replaced.

10          36.     Also, on or about May 5, 2023, the Buyers had a termite inspection of the Miller  
11 Property conducted by Orkin Residential Services (“Orkin”). Orkin found visible damage, an active  
12 termite infestation, dry rot, and subterranean termites.

13          37.     On or about May 9, 2023, another termite inspection of the Miller Property was  
14 conducted at DUNHAM’s request by Spartan Termite Inc. (“Spartan”). Spartan prepared a wood  
15 destroying pests and organisms inspection report for the Miller Property, dated May 9, 2023, Report  
16 Number 13797, in which Spartan stated it found evidence of subterranean termite infestation,  
17 drywood termite infestations, termite damaged wood members, and dry-rot and fungus damaged  
18 wood members. Spartan recommended, among other things, a subarea spray-out, chemical treatment  
19 of visible and accessible infestations, replacing a damaged door, and removing, replacing and/or  
20 repairing damaged wood member(s) as necessary.

21          38.     By on or about May 23, 2023, Brian Coleman of Brian Coleman Construction  
22 (“Coleman”) had completed repairs to the subfloor in the living room of the Miller Property at a  
23 cost of \$5,800.00. Coleman also repaired window frames in the upstairs bedroom at a cost of  
24 \$550.00. A bedroom window fell out because of wood rot when Coleman attempted to replace it.

25          39.     On or about May 23, 2023, DUNHAM e-mailed Spartan, with a copy to J.H.,  
26 requesting that Spartan send an authorization via DocuSign to J.H., and stating that DUNHAM  
27 would stay in contact with Cody Frost (“Frost”), Spartan’s owner, for payment of treatment and  
28 repairs. The same day, Spartan sent a Work Authorization to J.H., referencing Spartan Report

1 Number 13797, in which Spartan itemized work to be done on the Miller Property and listed the  
2 total cost as \$14,200.00 to complete the work (“Work Authorization”). Also, on or about May 23,  
3 2023, DUNHAM e-mailed the Buyers stating, among other things:

4 I am happy to take care of anything that came up on the termite inspection that  
5 Spartan Termite performed. I do believe that comes with some of the flooring items  
6 to a total of \$14,200. I believe that addresses my end of the outstanding items since  
7 there was a failure to get the termite inspection during escrow.

8 40. On or about May 29, 2023, J.H. digitally signed the Work Authorization that she  
9 received from Spartan.

10 41. On or about June 12, 2023, the Buyers first learned that the foundation for the house  
11 at the Miller Property was failing.

12 42. Also, on or about June 12, 2023, Spartan began repairs to the Miller Property in  
13 accordance with the Work Authorization. On or about June 19, 2023, Spartan completed the work,  
14 at a cost of \$14,200.00, which included a subarea spray-out, chemically treating visible and  
15 accessible infestations, replacing a damaged door, and removing, replacing and/or repairing dry-rot  
16 and fungus damaged wood members including the handrail, trim, fascia, rafter tail, siding, post trim,  
17 baluster, roof sheathing, joist, slat, shadow board, and blocking. During the time that Spartan was  
18 making repairs, one of Spartan’s employees told the Buyers that there was so much wood rot that at  
19 some point Spartan had to stop replacing wood. The Spartan employee also said that all the fascia  
20 boards needed to be replaced, but that Spartan had to put a cap on replacing fascia boards because  
21 DUNHAM was only willing to pay for treatment and repairs of active areas.

22 43. Also, on or about June 12, 2023, the Buyers had the Miller Property assessed by  
23 Mark Sauer (“Sauer”), a general contractor and consultant in construction. Sauer prepared a report  
24 on or about June 14, 2023, regarding his visit to the Miller Property, in which he determined that  
25 the house is an adobe residence, the original building was constructed of un-stabilized adobe, and  
26 the house was built on a raised floor with a brick foundation. Sauer’s report included a drawing of  
27 how to repair the foundation for the adobe building.

28 44. On or about June 14, 2023, the Buyers had Michel Khozam (“Khozam”) of ZMK  
Construction inspect the Miller Property and provide a quote for repairs. On or about June 18, 2023,

1 at 9:04 a.m., J.H. e-mailed Khozam, asking for a quote for repairs to the Miller Property, noting that  
2 Khozam's advice was to tear the house down and rebuild it, but that the Buyers wanted to see the  
3 costs. On or about June 18, 2023, at 2:51 p.m., Khozam replied that he respectfully declined to  
4 provide services.

5 45. From mid-June to mid-July 2023, the Buyers sought quotes from contractors to repair  
6 the foundation. Only a few contractors responded, and only verbal quotes were provided. At some  
7 point before the end of June 2023, the Buyers had received a verbal quote from one contractor to  
8 repair the foundation at a cost of \$400,000 to \$500,000, and they had received another verbal quote  
9 from another contractor of \$900,000 to rebuild the house.

10 46. On or about July 7 and 21, 2023, Richard Stevens ("Stevens"), a licensed civil  
11 engineer, who is also related to J.H., assessed the Miller Property. Stevens provided a "comment  
12 letter," dated July 25, 2023, regarding the Devine Report, among other things. Stevens stated he was  
13 providing the letter as a family member and friend and did not hold himself out to be a qualified  
14 structural engineer or an expert on the specialized adobe construction of the home. Stevens  
15 discovered that Devine's structural and civil engineer licenses had been revoked and stated that the  
16 Devine Report was prepared in violation of the California Professional Engineers Act, which bars  
17 individuals with revoked licenses from practicing structural engineering. When Stevens related this  
18 information to the Buyers, it was the first time they had learned that Devine's structural and civil  
19 engineer licenses were revoked. Stevens also identified numerous deficiencies in the Devine Report,  
20 including any confirmation that critical aspects of the house were structurally inspected, and the  
21 absence of inspection findings. Stevens opined that the Devine Report failed to meet a basic standard  
22 of care for a structural engineering evaluation.

23 47. On or about July 21, 2023, based on the lack of response from contractors, the  
24 amount of money it would cost to repair the foundation of the Miller Property—money that the  
25 Buyers did not have—based on verbal quotes, combined with mortgage payments, the Buyers  
26 decided to put the Miller Property up for sale, "As Is." Because the Sellers could not afford the  
27 extensive repairs required, they had to sell the uninhabitable Miller Property house at a significant  
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1 loss. According to J.H., two potential buyers of the Miller Property backed out of purchasing it after  
2 they learned the foundation was failing.

3 48. On or about August 10, 2023, Frost informed J.H. that Spartan placed a lien on the  
4 Miller Property to recover the balance due for Spartan's treatment and repairs. On or about August  
5 10, 2023, at 9:16 p.m., J.H. e-mailed Vicki Boynton, general counsel for PSIR ("Boynton"), with a  
6 copy to DUNHAM, informing Boynton that Spartan was about to place a lien on the Miller Property,  
7 and that the Buyers were having to sell the house. J.H. asked Boynton to take care of it so the Buyers  
8 could sell the home. On or about August 10, 2023, at 9:39 p.m., DUNHAM replied to J.H., and  
9 copied Boynton, stating:

10 I promise I have been working as hard as I can to pay down the balance due to Cody  
11 [Frost]. I have kept in constant communication with him about my situation. I know  
12 this is my financial burden to pay and I am still doing everything I can to do that I  
13 have just fallen on extremely hard financial times. I am still trying to get a loan to  
14 pay him in full and will continue to pursue that option I will leave it to Vicki  
[Boynton] to speak further but I wanted to at least speak my peace to know that I  
did not just walk away or stop paying Spartan Termite because I just simply didn't  
want to pay.

15 49. On or about August 11, 2023:

16 a. In e-mail messages sent by Boynton to J.H. and others, Boynton stated that  
17 DUNHAM had previously agreed to make payments to Spartan over time and worked out a  
18 payment plan with Spartan, but that Boynton found out on August 10, 2023, that payments  
19 had not been made by DUNHAM and Boynton was working with Spartan to resolve the  
20 issue.

21 b. At 7:05 a.m., Boynton e-mailed Frost, Spartan's owner, stating that she  
22 represented DUNHAM and asking how much was currently owned.

23 c. At 7:07 a.m., Frost replied to Boynton attaching an "up-to-date invoice with  
24 the balance due."

25 d. At 7:10 a.m., Boynton replied to J.H., copying DUNHAM and Frost, stating,  
26 among other things that, "I was advised that Olivia [DUNHAM] had an agreement with  
27 Spartan to pay this office but have reached out to them for a resolution via a separate email."

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1 e. At 7:14 a.m., Frost replied to Boynton, copying J.H., and DUNHAM, stating:

2 [DUNHAM] did have an agreement that she has failed to meet time and time again  
3 the last one being this past Monday [8/07/2023] she has not reached out besides  
4 responding to our request for payment and her last email was sent last night stating  
5 she still cannot come up with one single dollar or even accept any sort of payment  
6 plan. so unless we receive payment we will continue to try to retrieve said payment  
7 by any, and all means necessary and unless you want to pay it, we will continue to  
8 reach out to [DUNHAM], yourself and [J.H.] and remind her that I will be directing  
9 my attorney to fully execute the lien at the county clerks office if not resolved  
10 ASAP.

11 f. At 7:17 a.m., Boynton replied to Frost stating, "I should be able to resolve  
12 this today."

13 g. At 7:19 a.m., Frost replied to Boynton, J.H., and DUNHAM, stating:

14 I really hope so for everybody's best interest, but Olivia [DUNHAM] has exhausted  
15 all of my patients [*sic*] as it is painfully clear that she has been lying this entire time  
16 so with all due respect you have until end of day. Otherwise, we move forward with  
17 more drastic measures.

18 h. Thereafter on or about August 11, 2023, DUNHAM's employing broker,  
19 Real Estate of the Pacific Inc., dba PSIR, issued check number 2430 in the amount of  
20 \$10,000.00 made payable to Spartan Termite, with a reference to 13797-1, the same Report  
21 Number used by Spartan in its Work Authorization for the Miller Property.

22 50. On or about September 13, 2023, a representative from South Coast Piering Inc., dba  
23 Saber ("Saber"), a licensed contractor specializing in foundation repair, inspected the Miller  
24 Property. In an email message dated September 16, 2023, from Saber to J.H., regarding Saber's  
25 inspection, the representative stated:

26 The brick foundation showed signs of settlement and deterioration.

27 We recommend the foundation be rebuilt which require[s] a structural engineer to  
28 design and build for your home. [O]nce a new foundation is built, We can come in  
and add floor support with the SmartJacks system. Adjustable Galvanized beams  
that will hold the floor up and support the weight of the home.

Saber provided an estimate for permanently stabilizing the floors at the property at a cost of  
\$8,425.76, but Saber would only do this work after another contractor and structural engineer  
completely rebuilt the foundation.

51. On or about October 16, 2023, the Buyers had Private Eyes Engineers assess the  
Miller Property at a cost of \$1,500.00. On or about October 19, 2023, Massood Gaskari, a licensed

1 civil engineer, and the founder of Private Eyes Engineers, prepared a Limited Engineering  
2 Performance Assessment – Foundation, for the Miller Property, in which he found that the  
3 foundation for the original structure was insufficient for today’s building practice, and provided the  
4 following conclusion and recommendation:

5 Variations in the floor elevation are excessive. The northerly wall is bowed. The  
6 structure is in distress requiring repair and/or major retrofit. It lacks adequate  
7 foundation and lacks adequate floor framing support. We recommend our clients  
limit access to the building until such a time that the structural system of the  
building is properly retrofitted.

8 52. On or about October 16, 2023, the Buyers re-sold the Miller Property “As Is” for  
9 \$625,000, and escrow closed on or about October 20, 2023. The Buyers thus had to resell the Miller  
10 Property for \$47,000 less than their purchase price because they could not afford the extensive  
11 repairs to the foundation to make the house habitable, and could not afford to continue to make  
12 mortgage payments on the Miller Property. The Buyers also incurred additional closing costs.

13 53. On or about December 30, 2024, the Buyers filed a complaint in the San Diego  
14 County Superior Court against the Sellers, DUNHAM, and REOTPI, alleging fraud by intentional  
15 misrepresentation, fraud by nondisclosure, fraud by negligent misrepresentation, broker negligence,  
16 negligence, breach of contract, and constructive fraud. On or about January 10, 2025, the Buyers  
17 filed a First Amended Complaint. On or about April 2, 2025, DUNHAM and REOTPI filed a cross-  
18 complaint in the same action against NCBNI and MCKENZIE, for equitable indemnity, equitable  
19 contribution, and declaratory relief. As alleged in the First Amended Complaint filed by the Buyers,  
20 the Buyers suffered more than a \$47,000 loss in the resale of the Miller Property:

21 The difference between the price [Buyers] paid and the fair market value of the  
22 property at close of escrow was over \$100,000, to [Buyers’] damage . . . . [Buyers]  
23 also paid over \$46,600 in various inspection and repair costs for the Property, paid  
24 over \$8,700 in mortgage interest, lost the use of the Property, paid Mike Devine  
\$2,000 for his inspection and report, and lost \$27,000 in rental income from being  
forced to reside in their own investment property, all to their damage . . . .

25 **VIOLATIONS OF THE REAL ESTATE LAW – CAUSES FOR DISCIPLINE**

26 54. In the course of the activities alleged above in Paragraph 9, and based on the facts  
27 discovered by the DRE, as alleged in Paragraphs 10 through 53 above, Respondents acted in  
28 violation of the Code and Regulations as follows.





1 reiterated to J.H. that the Seller, N.H., was diligent in maintaining the property and used words to  
2 the effect he kept the property in excellent and/or top-notch condition.<sup>2/</sup>

3 62. As alleged above, the Miller Property was originally built in 1885, and made out of  
4 adobe, before state and local building codes had been adopted. The Miller Property is an atypical  
5 property presenting “red flags.” Indeed, it is a historic building. Facts regarding its structural history  
6 and deterioration over the course of 137 years since it was first built is information material to value  
7 and desirability of the property that required reasonable investigation and disclosure to the Buyers.

8 63. On or about November 28, 2022, MCKENZIE digitally signed the Real Estate  
9 Transfer Disclosure Statement (“TDS”) for the Miller Property.

10 a. In section II.(B), Seller’s Information, in response to the question, “Are you  
11 (Seller) aware of any significant defects/malfunctions in any of the following,” the box for  
12 “Yes” was checked, the boxes for “Driveways” and “Other Structural Components” were  
13 checked, and in the blank section below, next to the word “Describe,” was written, “Other  
14 Exterior Structural Components: cracks in adobe walls.” There was no mention that the  
15 foundation was unsound, or the current existence of termite infestation or dry rot.

16 b. In Section III., Agent’s Inspection Disclosure, under the preprinted statement,  
17 “THE UNDERSIGNED, BASED ON THE ABOVE INQUIRY OF THE SELLER(S) AS  
18 TO THE CONDITION OF THE PROPERTY AND BASED ON A REASONABLY  
19 COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS  
20 OF THE PROPERTY IN CONJUNCTION WITH THAT INQUIRY, STATES THE  
21 FOLLOWING,” MCKENZIE only checked the box next to “See attached Agent Visual  
22 Inspection Disclosure (AVID Form),” and provided no further information in this section.

23 64. On or about December 2, 2022, when Triton conducted the first inspection of the  
24 Miller Property, at least one of the Sellers and MCKENZIE were present. When the inspector could  
25 not access the crawl space from a hatch outside the kitchen, the Seller who was present failed to  
26 inform the inspector that the crawl space could be accessed from another hatch in the living room.  
27 MCKENZIE did not ask the Seller if there was another access point.

28 <sup>2/</sup> In December 2023, however, a local newspaper ran an article about the historic Miller Property house, and quoted the  
seller, N.H., describing the house at the time he bought it in or about 1999 as “a disaster, structurally and in every other  
way.” (Lerner, *Survival uncertain for town’s first church*, Valley Roadrunner (Dec. 13, 2023).)

1           65.     On or about January 9, 2023, MCKENZIE digitally signed the Agent Visual  
2 Inspection Disclosure (“AVID”) form. In the AVID form, MCKENZIE only reported holes in wall  
3 from hanging pictures in the living room, paint fading on cabinets in the kitchen, and no issues in  
4 the hall/stairs, bedrooms, and bathrooms. The sections for “Other,” “Addendum for additional  
5 rooms/structures,” and “other Observed or Known Conditions Not Specified Above,” were all left  
6 blank. In the section for “Exterior Building and Yard – Front/Sides Back,” MCKENZIE wrote,  
7 “Backyard has raw dirt where septic was repaired. Crack in concrete leading to back, side door.”  
8 Again, there was no mention the foundation was unsound and no mention of termites and wood rot.

9           66.     MCKENZIE’s representations that the Miller Property was in impeccable condition,  
10 and that the Seller maintained it in excellent and/or top notch condition, were false. At the time he  
11 made these representations, MCKENZIE either knew they were false, or had no reasonable grounds  
12 for believing the representations were true at the time he made them. Had MCKENZIE conducted  
13 a reasonably competent and diligent inspection, and a reasonable investigation into the condition of  
14 this atypical property, he would have confirmed that his representations were false. The true facts  
15 were that there was extensive subterranean termite infestation and dry-rot, the foundation was  
16 failing, and the structure of the house, originally constructed of adobe, was in such distress that  
17 Massood Gaskari, a licensed civil engineer, recommended that access to the building be limited until  
18 it was retrofitted. In other words, the house was uninhabitable without major repairs and retrofitting.  
19 Regarding the foundation, Gaskari wrote in his assessment:

20           The structure is in distress requiring repair and/or major retrofit. It lacks adequate  
21 foundation and lacks adequate floor framing support. We recommend our clients  
22 limit access to the building until such a time that the structural system of the  
building is properly retrofitted.

23 Contractors gave verbal quotes to repair the foundation at a cost of \$400,000 to \$500,000, or to  
24 rebuild the house for \$900,000. The Seller, N.H., was quoted in a local newspaper in December  
25 2023 stating that, at the time he originally purchased the property in or about 1999, the Miller  
26 Property house was “a disaster, structurally and in every other way.” This was not a house in  
27 “impeccable condition.”

28 ///



1 constitute cause for the suspension or revocation PORTER's real estate license and license right  
2 under the provisions of **Code section 10165.**

3 FIFTH CAUSE OF ACCUSATION

4 LIABILITY OF RESPONSIBLE BROKERS

5 72. Complainant realleges and incorporates by reference all of the allegations contained  
6 in the previous paragraphs as though fully set forth herein.

7 73. Based on the allegations contained in paragraphs 9(a), and 10 through 53 above, and  
8 the First, Second and Fourth Causes of Accusation above, REOTPI, as the responsible broker for  
9 DUNHAM and PORTER, is liable for the acts and/or negligence of DUNHAM and PORTER.  
10 REOTPI's acts and/or omissions are in violation of **Code sections 10010.5(b)(2), 10177(d) and/or**  
11 **10177(g)** and constitute cause to suspend or revoke the real estate licenses and license rights of  
12 REOTPI pursuant to **Code sections 10177(d) and/or 10177(g).**

13 74. Based on the allegations contained in paragraphs 9(b), and 10 through 53 above, and  
14 the Third Cause of Accusation above, NCBNI, as the responsible broker for MCKENZIE, is liable  
15 for the acts and/or negligence of MCKENZIE. NCBNI's acts and/or omissions are in violation of  
16 **Code sections 10177(d) and/or 10177(g)** and constitute cause to suspend or revoke the real estate  
17 licenses and license rights of NCBNI pursuant to **Code sections 10177(d) and/or 10177(g).**

18 SIXTH CAUSE OF ACCUSATION:

19 RESPONSIBILITY OF CORPORATE OFFICER IN CHARGE; BROKER SUPERVISION

20 75. Complainant realleges and incorporates by reference all of the allegations contained  
21 in the previous paragraphs as though fully set forth herein.

22 76. Based on the allegations contained in paragraphs 9(a), and 10 through 53 above, and  
23 the First, Second, Fourth, and Fifth Causes of Accusation above, SWANSON, as the broker of  
24 record and D.O. of REOTPI, did not exercise adequate supervision and control over the real estate  
25 activities conducted on behalf of REOTPI by its employees and licensees to ensure compliance with  
26 the Real Estate Laws and Regulations. SWANSON failed to establish policies, rules and systems to  
27 review, oversee, inspect, and manage transactions. SWANSON's acts and/or omissions were in  
28 violation of **Code sections 10159.2 and 10177(h), and Regulation 2725,** and constitute cause to

1 suspend or revoke the real estate licenses and license rights of SWANSON pursuant to **Code**  
2 **sections 10177(d) and/or 10177(g).**

3 77. Based on the allegations contained in paragraphs 9(b), and 10 through 53 above, and  
4 the Third and Fifth Causes of Accusation above, WILIAMS, as the broker of record and D.O. of  
5 NCBNI, did not exercise adequate supervision and control over the real estate activities conducted  
6 on behalf of NCBNI by its employees and licensees to ensure compliance with the Real Estate Laws  
7 and Regulations. WILIAMS failed to establish policies, rules and systems to review, oversee,  
8 inspect, and manage transactions. WILIAMS's acts and/or omissions were in violation of **Code**  
9 **sections 10159.2 and 10177(h), and Regulation 2725**, and constitute cause to suspend or revoke  
10 the real estate licenses and license rights of WILIAMS pursuant to **Code sections 10177(d) and/or**  
11 **10177(g).**

12 SEVENTH CAUSE OF ACCUSATION:

13 SUBSTANTIAL MISREPRESENTATION, FRAUD, OR DISHONEST DEALING

14 78. Complainant realleges and incorporates by reference all of the allegations contained  
15 in the previous paragraphs as though fully set forth herein.

16 79. Based on the allegations contained in paragraphs 9, 10 through 53 above, and 56 and  
17 57, DUNHAM worked closely with Buyers J.H. and A.H., and advised them on each step of the  
18 transaction leading to their purchasing of, and closing escrow on, the Miller Property.

19 80. As a result of DUNHAM having created and established a real estate agency  
20 relationships with the Buyers, DUNHAM owed fiduciary duties to the Buyers, and by virtue of the  
21 Buyers having placed confidence in the competence, expertise, professional knowledge, skill, and  
22 experience of DUNHAM, and in entrusting DUNHAM to fulfill her duties of making the fullest  
23 disclosure of all material facts known to her, making the fullest disclosure of facts materially  
24 affecting the value or desirability of the property that an investigation would reveal, and to represent  
25 the best interests of the Buyers in their transactions as their real estate agent in the purchase of real  
26 property, a confidential and fiduciary relationship existed at all times herein mentioned between the  
27 Buyers and DUNHAM.

28 ///

1           81.     Despite DUNHAM having voluntarily accepted the trust and confidence reposed in  
2 in her by the Buyers with regard to their purchase of the Miller Property, and in violation of this  
3 relationship of trust and confidence, DUNHAM abused the trust and confidence of the Buyers by  
4 engaging in a course of conduct of making affirmative misrepresentations to induce the Buyers to  
5 complete the sale with the intent to substantially benefitting herself by receiving her commission,  
6 and without properly investigating and disclosing the true facts to the Buyers.

7           82.     DUNHAM made affirmative misrepresentations by falsely informing the Buyers that  
8 Devine was “a limited structural engineer per the state so he can access buildings for structural  
9 integrity and reporting purposes,” and when asked what “limited structural engineer” meant, falsely  
10 informed the Buyers that Devine “is limited as he has semi-retired so he now does less scopes of  
11 work,” and that Devine “only does visual site inspections.” DUNHAM failed to inform the Buyers  
12 that Devine’s structural engineer license had been revoked.

13           83.     When the Buyers asked whether a termite inspection had been done on the Miller  
14 Property, DUNHAM made another affirmative misrepresentation by falsely informing the Buyers  
15 that, “Termite was done and no active infestation was found. They did note with the wood paneling  
16 to ensure yearly checks and maintain rain gutters as the wet weather or excessive moisture can be  
17 Damaging. Otherwise nothing noted.” DUNHAM failed to inform the Buyers that no termite  
18 inspection had been performed on the Miller Property.

19           84.     DUNHAM made another affirmative misrepresentation by falsely informing the  
20 Buyers that she would pay \$14,200 for the cost of treatment and repairs of the Miller Property to  
21 Spartan for termite infestations, termite damage, dry-rot, and fungus, when she sent an email stating:

22           I am happy to take care of anything that came up on the termite inspection that  
23           Spartan Termite performed. I do believe that comes with some of the flooring items  
24           to a total of \$14,200. I believe that addresses my end of the outstanding items since  
              there was a failure to get the termite inspection during escrow.

25 DUNHAM failed to promptly inform the Buyers that she was unable or unwilling to make all  
26 payments to pay the outstanding balance in full, and the Buyers only found out that DUNHAM  
27 stopped making payments when the termite company informed the Buyers it was filing a lien against

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1 the Miller Property for the unpaid balance, at the time that the Buyers were trying to re-sell the  
2 property, and a lien would negatively impact the Buyers ability to complete a sale of the property.

3 85. At the time DUNHAM made these affirmative misrepresentations, DUNHAM either  
4 knew they were false, or had no reasonable grounds for believing the representations were true at  
5 the time she made them. Had DUNHAM conducted a reasonably competent and diligent  
6 investigation into Devine's structural engineer license, and had she conducted a reasonably  
7 competent and diligent investigation into whether a termite inspection had been performed, after  
8 J.H. asked her, DUNHAM would have confirmed that her affirmative misrepresentations were false.

9 86. DUNHAM failed to properly investigate and disclose to the Buyers the true facts  
10 regarding Devine's revoked structural engineer license, and the lack of any termite inspection for  
11 the Miller Property, with the intention to deceive and defraud the Buyers and to induce the Buyers  
12 to act in reliance on DUNHAM's substantial misrepresentations and the lack of disclosure of true  
13 material facts by completing the purchase of the Miller Property. DUNHAM's failure to disclose  
14 her own inability or unwillingness to pay the entire cost for the termite treatment and repairs to the  
15 Miller Property is further evidence, in aggravation, of her dishonest dealing.

16 87. At the times that DUNHAM made her affirmative misrepresentations about Devine,  
17 and the termite inspection, and the true material facts were concealed from, went uninvestigated,  
18 and were not disclosed to the Buyers by DUNHAM, and at the times the Buyers took the actions  
19 herein alleged, the Buyers were ignorant of the falsity of DUNHAM's representations and believed  
20 them to be true. In reliance on DUNHAM's affirmative misrepresentations and lack of disclosure  
21 of true material facts, the Buyers were induced to complete the purchase of the Miller Property  
22 Because there was an ongoing fiduciary relationship between DUNHAM and the Buyers, and that  
23 fiduciary relationship continued and was reaffirmed after the close of escrow when DUNHAM  
24 committed to paying Spartan for the termite treatment and repairs in full, the Buyers had the right  
25 to rely on DUNHAM's representations. Had the Buyers known the actual facts, they could have  
26 chosen different actions, and avoided the expenditure of tens of thousands of dollars, untold stress,  
27 and aggravation.

28 ///



1           WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this  
2 Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against  
3 all the licenses and license rights of Respondents REAL ESTATE OF THE PACIFIC INC,  
4 VALARIE SUSAN SWANSON, KELLEN TIMOTHY PORTER, OLIVIA MARIE DUNHAM,  
5 NORTH COUNTY BROKER NETWORK INC, BRIAN JOHN WILLIAMS, and JOHN  
6 LAWRENCE MCKENZIE under the Real Estate Law, for the costs of investigation and  
7 enforcement as permitted by law, and for such other and further relief as may be proper under other  
8 applicable provisions of law.

9 Dated at San Diego, California March 4, 2026.



Veronica Kilpatrick  
Supervising Special Investigator

14 cc: REAL ESTATE OF THE PACIFIC INC,  
15 VALARIE SUSAN SWANSON  
16 KELLEN TIMOTHY PORTER  
17 OLIVIA MARIE DUNHAM  
18 NORTH COUNTY BROKER NETWORK INC  
19 BRIAN JOHN WILLIAMS  
20 JOHN LAWRENCE MCKENZIE  
21 Douglas Elliman Referral of California, Inc.  
22 LPT Realty, Inc  
23 Veronica Kilpatrick  
24 Sacto.

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