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**FILED**

**AUG 05 2014**

**BUREAU OF REAL ESTATE**

By *S. Black*

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2 (SBN 225003)  
3 Bureau of Real Estate  
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BEFORE THE  
BUREAU OF REAL ESTATE  
STATE OF CALIFORNIA

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In the Matter of the Accusation of )  
)  
13 SOUTH HALL INVESTORS INC, ) NO. H-5960 SAC  
14 NORMAN TIMMINS THOMPSON, and )  
15 **SERGIO MARTIN ARREGUIN,** ) AMENDED ACCUSATION  
) (As to **SERGIO MARTIN ARREGUIN** Only)  
16 Respondents. )

17 The Complainant, TRICIA D. PARKHURST, in her official capacity as a Deputy  
18 Real Estate Commissioner of the State of California, for cause of Amended Accusation as to  
19 SERGIO MARTIN ARREGUIN ("Respondent") only, is informed and alleges as follows:

PROCEDURAL HISTORY

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22 On or about January 24, 2013, the Bureau of Real Estate ("Bureau") filed an  
23 Accusation against SOUTH HALL INVESTORS INC ("SHI"), NORMAN TIMMINS  
24 THOMPSON ("NTT"), and Respondent.

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26 On or about January 5, 2014, the Accusation filed against SHI, NTT, and Respondent,  
27 as noted at Paragraph 1, above, was Ordered Dismissed by the Bureau as to SHI and NTT only.

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PRELIMINARY ALLEGATIONS

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At all times herein mentioned, Respondent was and now is licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) (herein "the Code") as a real estate salesperson in the employ of SHI.

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At all times herein mentioned, Michael Soares ("Soares") was and is licensed by the Bureau as a real estate broker in the employ of SHI.

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At all times herein mentioned, Respondent engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate salesperson under the employ of SHI in the State of California, within the meaning of Section 10131(a) of the Code, including the selling or offering to sell, buying or offering to buy, soliciting prospective sellers or purchasers of, soliciting or obtaining listings of, or negotiating the purchase, sale or exchange of real property or a business opportunity, for or in expectation of compensation.

FIRST CAUSE OF ACTION

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Each and every allegation in Paragraphs 1 through 5, inclusive, is incorporated by this reference as if fully set forth herein.

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On or about July 31, 2012, Respondent and R. Zahnn ("Zahnn") contracted to sell Zahnn's residence on Hawkcrest Circle, Sacramento, California ("Hawkcrest"). Respondent and Zahnn entered into a dual buyer-seller agency agreement in that Respondent and/or Soares, in the employ of SHI, were permitted to represent more than one buyer or seller.

8

On or about August 3, 2012, Respondent listed the sale of Hawkcrest indicating an open house would be held on August 4, 2012. Offers were to be accepted until 3:00 p.m. on

1 August 7, 2012. S. Moody ("Moody") attended said open house and offered \$325,000.00 for  
2 the purchase of Hawkcrest.

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4 On or about August 5, 2012, RES Cara Heagy ("Heagy") offered \$353,500.00 for  
5 the purchase of Hawkcrest. Respondent acknowledged receipt of Heagy's offer on August 7,  
6 2012.

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8 On or about August 6, 2012, Respondent, as the salesperson for the selling firm,  
9 and Soares, as the broker for the listing firm, entered into a dual buyer-seller agency agreement  
10 with Moody, and executed a \$325,000.00 purchase agreement for Hawkcrest.

11 11

12 On or about August 7, 2012, before 3:00 p.m., RES Phillip Todd ("Todd")  
13 offered \$355,000.00 for the purchase of Hawkcrest. Respondent acknowledged receipt of  
14 Todd's offer on August 7, 2012.

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16 On or about August 7, 2012, before 3:00 p.m., RES Cheryl States ("States")  
17 offered \$303,000.00 for the purchase of Hawkcrest. Respondent acknowledged receipt of  
18 States' offer on August 7, 2012.

19 13

20 On or about August 7, 2012, before 3:00 p.m., RES Rickie Ann Kinley  
21 ("Kinley") offered \$339,000.00 for the purchase of Hawkcrest. Respondent acknowledged  
22 receipt of Kinley's offer on August 7, 2012.

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24 On or about August 7, 2012, before 3:00 p.m., RES Sterling Royal ("Royal")  
25 offered \$339,000.00 for the purchase of Hawkcrest. Respondent acknowledged receipt of  
26 Royal's offer on August 7, 2012.

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2 At approximately 4:00 p.m. on August 7, 2012, Zahnn met with Respondent  
3 at SHI. Respondent represented to Zahnn receipt of only two offers: \$303,000.00 from States,  
4 and \$325,000.00 from Moody, in violation of Sections 10176 (a), (b), (c), and (i) (the making of  
5 substantial misrepresentations; the making of a false promise likely to influence, persuade, or  
6 induce; the making of misrepresentations and/or false promises through real estate salespersons;  
7 fraud, and dishonest dealing), and/or 10177(d), (g), and (j) (willful disregard of the Real Estate  
8 Law, negligence and/or incompetence, fraud, and dishonest dealing) of the Code.

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10 On or about August 7, 2012, Zahnn signed the \$325,000.00 purchase agreement  
11 previously executed by Respondent and Moody. Respondent advised Royal, Kinley, Todd,  
12 States, and Heagy of the rejection of their offers.

13  
14 On or about September 12, 2012, Respondent was notified that the Hawkcrest  
15 transaction was under investigation by the Bureau. Respondent then presented Zahnn with a list  
16 of additional purchase offers of which she had no prior knowledge, and a declaration prepared  
17 by Respondent representing that Zahnn's decision to sell Hawkcrest to Moody was not solely  
18 based on sales price, in violation of Sections 10176(a), (c), and (i) (the making of substantial  
19 misrepresentations, the making of misrepresentations and/or false promises, fraud, and/or  
20 dishonest dealing), and/or 10177(d), (g), and (j) (willful disregard of the Real Estate Law,  
21 negligence and/or incompetence, fraud, and/or dishonest dealing) of the Code.

22  
23 On or about September 12, 2012, Respondent advised Moody that the sales  
24 contract had to be terminated for the submission of higher offers. Moody cancelled the contract  
25 based on Respondent's representations, though she remained qualified for the purchase of  
26 Hawkcrest.

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On or about September 14, 2012, Respondent advised Zahnn that Moody could no longer afford to purchase the property, in violation of Sections 10176 (a), (c), and (i) (the making of substantial misrepresentations, fraud, and/or dishonest dealing), and/or 10177 (d), (g), and (j) (willful disregard of the Real Estate Law, negligence and/or incompetence, fraud, and/or dishonest dealing) of the Code.

20

On or about November 15, 2012, Zahnn advised the Bureau that had she known of the additional offers made for the purchase of Hawkcrest, she would not have accepted the offer by Moody.

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The facts alleged in the First Cause of Action are grounds for the suspension or revocation of Respondent's license and license rights under the following sections of the Code and/or the Regulations of the Real Estate Commissioner ("Regulations"):

- (1) As to Paragraph 15, under Sections 10176 (a), (b), (c), and (i), and/or 10177 (d), (g), and (j) of the Code;
- (2) As to Paragraph 17, under Sections 10176 (a), (c), and (i), and/or 10177 (d), (g), and (j) of the Code; and,
- (3) As to Paragraph 19, under Sections 10176 (a), (b), (c), and (i), and/or 10177 (d), (g), and (j) of the Code.

SECOND CAUSE OF ACTION

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On or about May 5, 2014, in the Superior Court of the State of California, County of Yolo, Case No. CRM130004802, Respondent was convicted of violating Sections 484(a) and 488 of the Penal Code (petty theft), a misdemeanor which bears a substantial relationship under Section 2910 of the Regulations to the qualifications, functions or duties of a real estate licensee.

The facts alleged at Paragraph 22, above, constitute cause for the suspension or revocation of the license and license rights of Respondent under Sections 490 and 10177(b) of the Code.

COST RECOVERY

Section 10106 of the Code provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Bureau, 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 the investigation and enforcement of the case.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Amended Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondent under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the cost of the investigation and enforcement as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law.

  
TRICIA D. PARKHURST  
Deputy Real Estate Commissioner

Dated at Sacramento, California,  
this 4th day of August, 2014.