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FILED

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BUREAU OF REAL ESTATE

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7
8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of:) NO. H-6445 SAC
12)
13) EQUITABLE GROUP INCORPORATED,)
14) and DYLAN ANDREW LOVE,) ACCUSATION
15) Respondents:)

16 The Complainant, TRICIA D. PARKHURST, in her official capacity as a
17 Supervising Special Investigator of the State of California, for cause of Accusation against
18 EQUITABLE GROUP INCORPORATED ("EQUITABLE"), and DYLAN ANDREW LOVE
19 ("LOVE"), (collectively referred to a "Respondents"), is informed and alleges as follows:

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21 Respondent EQUITABLE is presently licensed by the California Bureau of Real
22 Estate ("the Bureau") and/or has license rights under the Real Estate Law, Part 1 of Division 4 of
23 the California Business and Professions Code ("the Code"), as a corporate real estate broker, and at
24 all relevant times herein was acting by and through LOVE as its designated officer broker.

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26 LOVE is presently licensed and/or has license rights under the Real Estate Law, Part
27 1 of Division 4 of the Code ("the Real Estate Law") as an individual real estate broker and, at all
relevant times herein, was the designated broker officer of EQUITABLE.

Whenever reference is made in an allegation in this Accusation to an act or omission of EQUITABLE, such allegation shall be deemed to mean that the employees, agents, real estate licensees, and others employed by or associated with EQUITABLE committed such act or omission while engaged in furtherance of the business or operations of EQUITABLE and while acting within the course and scope of their authority and employment.

At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as a corporate real estate broker within the State of California on behalf of others, for compensation or in expectation of compensation within the meaning of Section 10131(b) of the Code, including the operation and conduct of a property management business with the public wherein, on behalf of others, for compensation, leased or rented or offered to lease or rent, or placed for rent, or solicited listings of places for rent, or solicited for prospective tenant, or negotiated for sale, purchase or exchanges of leases on real property, or on a business opportunity, or collected rent from real property, or improvements thereon, or from business opportunities.

COUNT ONE
AUDIT VIOLATIONS

(As to Respondents EQUITABLE and LOVE)

Each and every allegation in paragraphs 1 through 4, inclusive, above, is incorporated by this reference as if fully set forth herein.

On or about July 6, 2016, the Bureau conducted an audit of the books and records related to the real estate activities of Respondents at EQUITABLE's main office located at 16770 Placer Hills Road #D, Meadow Vista, CA 95722, where the auditor examined records for the period of January 1, 2015, to April 30, 2016 ("audit period").

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While acting as real estate brokers as described above in paragraph 4, and within the audit period, Respondents accepted or received funds in trust ("trust funds") and deposited or caused the trust funds to be deposited into bank accounts maintained by Respondents, and thereafter, from time-to-time, Respondents made disbursements of said trust funds, identified as follows:

Trust Account #1

Bank Name: US Bank
Account No.: Last 4 Digits: xxxxxxxx6983
Account Name: "Equitable Group Incorporated
DBA EMP Trust Account"
Signatories: Dylan Love (REB)
Purpose: Used for handling trust funds from property management activities.

Trust Account #2

Bank Name: US Bank
Account No.: Last 4 Digits: xxxxxxxx4924
Account Name: "Equitable Group Incorporated"
Signatories: Dylan Love (REB)
Purpose: Used for handling trust funds from property management activities.

Trust Account #3

Bank Name: US Bank
Account No.: Last 4 Digits: xxxxxxxx6777
Account Name: DBA EPM Trust Account
Signatories: Dylan Love (REB)
Purpose: Used for handling trust funds from property management activities.

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2 In the course of the real estate broker activities described above in paragraph 4, and
3 during the audit period, Respondents:

4 (a) caused, suffered, or permitted the balance of funds in Trust Account #3 to be
5 reduced to an amount which, as of March 31, 2016, was approximately \$9,975.09 less than the
6 aggregate liability of Trust Account #3 to all owners of such funds, without the prior written
7 consent of each and every owner of such funds, in violation of Section 10145 of the Code and
8 Section 2832.1 of Title 10 of the California Code of Regulations ("the Regulations");

9 (b) collected advance fees from two principals for providing services referred to
10 as "Eviction Insurance Plan" ("EIP") and failed to submit an advance fee agreement, and all
11 materials used in obtaining the advance fee agreement, to the Bureau prior to use, as required by
12 Sections 10085 and 10085.5 of the Code, and Section 2970 of the Regulations;

13 (c) in connection with the advance fee agreements identified above in paragraph
14 9(b), Respondents collected advance fees from principals for providing EIP services in connection
15 with its property management services, and did not maintain and provide a verified accounting to
16 those principals showing the services rendered, identification of the bank account into which the
17 funds were deposited, and details of how those funds were disbursed, in violation of Sections 10146
18 and 10085.5 of the Code, and 2972 of the Regulations;

19 (d) failed to maintain and/or keep accurate and complete separate records for
20 each beneficiary or property of trust funds accepted or received in Trust Account #3, in that as of
21 March 31, 2016, Trust Account #3 contained unaccounted for or unidentified funds in the amount
22 of \$955.99, in violation of Section 10145(g) of the Code, and Section 2831.1 of the Regulations;
23 and

24 (e) failed to reconcile at least once per month, the balance of all separate
25 beneficiary or transaction records to the balance of the control records for Bank Account #3, in
26 violation of 10145 of the Code and Section 2831.2.

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The acts and/or omissions of Respondents as alleged in paragraph 8, above, constitute grounds for the suspension or revocation of all licenses and license rights of Respondents pursuant to the following provisions of the Code and Regulations:

As to Paragraph 8(a), under Section 10177(d) and/or 10177(g) of the Code, in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

As to Paragraph 8(b), under Section 10177(d) and/or 10177(g) of the Code, in conjunction with Sections 10085 and 10085.5 of the Code and Section 2970 of the Regulations;

As to Paragraph 8(c), under Section 10177(d) and/or 10177(g) of the Code, in conjunction with Sections 10085.5 and 10146 of the Code, and Section 2972 of the Regulations;

As to Paragraph 8(d), under Section 10177(d) and/or 10177(g) of the Code, in conjunction with Section 10145(g) of the Code and Section 2831.1 of the Regulations; and

As to Paragraph 8(e), under Section 10177(d) and/or 10177(g) of the Code, in conjunction with Section 10145 of the Code and Section 2831.2 of the Regulations.

COUNT TWO
FAILURE TO SUPERVISE
(As to Respondent LOVE)

Each and every allegation in Paragraphs 1 through 9, inclusive, above, is incorporated by this reference as if fully set forth herein.

LOVE, as the designated officer of EQUITABLE, was required to exercise reasonable supervision and control over the activities of EQUITABLE and its employees and the real estate activities being conducted by EQUITABLE.

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LOVE failed to exercise reasonable supervision over the acts and/or omissions of EQUITABLE and its employees in such a manner as to allow the acts and/or omissions as described above in the First Cause of Action to occur, which constitutes cause for the suspension or revocation of the license(s) and license rights of LOVE under Sections 10177(d) and/or 10177(g), 10177(h) and 10159.2 of the Code, in conjunction with Section 2725 of the Regulations.

COST RECOVERY

Audit Costs

The acts and/or omissions of Respondents, as alleged above in the First Cause of Action, entitle the Bureau to reimbursement of the costs of its audit pursuant to Section 10148(b) of the Code.

Investigation and Enforcement Costs

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.

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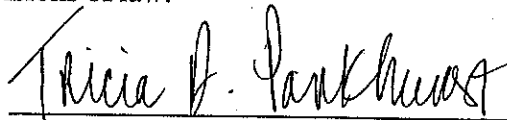
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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of
2 this Accusation and that upon proof thereof, a decision be rendered revoking all licenses and license
3 rights of all Respondents named herein under the Real Estate Law, for the cost of investigation and
4 enforcement as permitted by law, for the cost of the audit as permitted by law, and for such other
5 and further relief as may be proper under other provisions of law.

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7 TRICIA D. PARKHURST
8 Supervising Special Investigator

9 Dated at Sacramento, California,
10 this 20th day of July, 2017.
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14 DISCOVERY DEMAND

15 Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the Bureau of
16 Real Estate hereby makes demand for discovery pursuant to the guidelines set forth in the
17 *Administrative Procedure Act*. Failure to provide Discovery to the Bureau of Real Estate may result
18 in the exclusion of witnesses and documents at the hearing or other sanctions that the Office of
19 Administrative Hearings deems appropriate.