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FILED

MAR 16 2017

BUREAU OF REAL ESTATE
By B. Nicholas

8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of :)
12) No. H- 6515 SAC
13 DELGADO PROPERTY MANAGEMENT INC.)
14 and MARK GREGORY DELGADO,) ACCUSATION
15 Respondents.)

16 The Complainant, TRICIA D. PARKHURST, a Supervising Special Investigator
17 of the State of California, for cause of Accusation against DELGADO PROPERTY
18 MANAGEMENT INC. ("DELGADO PMI") and MARK GREGORY DELGADO ("Mr.
19 DELGADO") (collectively referred to as "Respondents"), is informed and alleges as follows:

20 PRELIMINARY ALLEGATIONS

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22 The Complainant, TRICIA D. PARKHURST, a Supervising Special Investigator
23 of the State of California, makes this Accusation in her official capacity.

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25 Respondents are presently licensed and/or have license rights under the Real
26 Estate Law, Part 1 of Division 4 of the Business and Professions Code ("Code").

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At all times mentioned herein, DELGADO PMI was and is licensed by the State of California Bureau of Real Estate ("Bureau") as a corporate real estate broker.

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At all times mentioned herein, Mr. DELGADO was and is licensed by the Bureau individually as a real estate broker. At all times mentioned herein, Mr. DELGADO was the designated officer of DELGADO PMI and was therefore responsible, pursuant to section 10159.2 of the Code, for the supervision of the activities of the officers, agents, real estate licensees and employees of DELGADO PMI for which a real estate license is required.

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

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At all times mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker within the State of California 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 or in expectation of compensation, Respondents leased or rented and offered to lease or rent, and solicited for prospective tenants of real property or improvements thereon, and collected rents from real property or improvements thereon.

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1 FIRST CAUSE OF ACTION

2 Audit Violations

3 (As to Respondent DELGADO PMI and Mr. DELGADO)

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5 Each and every allegation in Paragraphs 1 through 6, inclusive, is incorporated
6 by this reference as if fully set forth herein.

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8 Beginning on or about November 17, 2015, and continuing intermittently through
9 March 11, 2016, an audit was conducted of Respondents' records. The auditor herein examined
10 the records for the period of July 1, 2014, through February 29, 2016.

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12 While acting as real estate licensees, as described in Paragraph 6, Respondents
13 accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in
14 connection with the leasing, renting, and collection of rents on real property or improvements
15 thereon, as alleged herein, and thereafter from time-to-time made disbursements of said trust
16 funds.

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18 The trust funds accepted or received by Respondents, as described in Paragraph 9,
19 were deposited or caused to be deposited by Respondents into trust accounts which were
20 maintained by Respondents for the handling of trust funds, and thereafter, from time-to-time,
21 Respondents made disbursements of said trust funds, identified as follows:

TRUST ACCOUNT # 1	
Bank Name and Location:	Bank of the West P.O. Box 28380 Omaha, NE 68103-2830
Account No.:	XXX-XX2098
Entitled:	Delgado Property Mgmt Inc Client Trust Account
Signatories:	Mark G Delgado (REB) and Veronica Delgado (RES)
No. of Signatures Required:	One

TRUST ACCOUNT # 2	
Bank Name and Location:	Bank of the West P.O. Box 28380 Omaha, NE 68103-2830
Account No.:	XXX-XX6221
Entitled:	Delgado Property Mgmt Inc Client Trust Account
Signatories:	Mark G Delgado (REB) and Veronica Delgado (RES)
No. of Signatures Required:	One

BANK ACCOUNT # 1	
Bank Name and Location:	Bank of the West P.O. Box 28380 Omaha, NE 68103-2830
Account No.:	XXX-XX1413
Entitled:	Delgado Property Mgmt Inc Operating Account
Signatories:	Mark G Delgado (REB) and Veronica Delgado (RES)
No. of Signatures Required:	One

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In the course of the activities described in Paragraph 6, Respondents:

(a) caused, suffered or permitted the balance of funds in Trust Account #1 to contain a shortage of \$42,758.09 without the prior written consent of each and every owner of such funds, in violation of section 10145 of the Code and section 2832.1 of title 10, California Code of Regulations ("Regulations");

(b) caused, suffered or permitted the balance of funds in Trust Account #2 to contain as shortage of \$8,866.88 without the prior written consent of each and every owner of such funds, in violation of section 10145 of the Code and section 2832.1 of the Regulations;

(c) failed to reconcile at least once a month, the balance of all separate beneficiary or transaction records with the balance of the control records for Trust Account #1 in violation of section 10145 of the Code and section 2831.2 of the Regulations;

(d) commingled with their own money or property the money or property of others which was received and held in trust by Respondents in violation of section 10176(e); and

1 (e) failed to maintain a record of all trust funds received and disbursed from
2 Bank Account #1 when it contained trust funds from March 17, 2015 through January 11, 2016,
3 in violation of 10145 of the Code and section 2831 of the Regulations.

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5 The acts and/or omissions of Respondents, as alleged above in Paragraph 11
6 constitute grounds for the suspension or revocation of all licenses and license rights of
7 Respondents pursuant to the following provisions of the Code and Regulations:

8 As to Paragraph 11(a), under section 10177(d) and/or 10177(g) of the Code, in
9 conjunction with section 10145 of the Code and section 2832.1 of the Regulations;

10 As to Paragraph 11(b), under section 10177(d) and/or 10177(g) of the Code, in
11 conjunction with section 10145 of the Code and section 2832.1 of the Regulations;

12 As to Paragraph 11(c), under section 10177(d) and/or 10177(g) of the Code, in
13 conjunction with section 10145 of the Code and section 2831.2 of the Regulations;

14 As to Paragraph 11(d), under section 10177(e) of the Code; and

15 As to Paragraph 11(e), under sections 10177(d) and/or 10177(g) of the Code, in
16 conjunction with section 10145 of the Code and section 2831 of the Regulations.

17 SECOND CAUSE OF ACTION

18 Failure to Supervise

19 (As to Respondent Mr. DELGADO)

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21 Each and every allegation in Paragraphs 1 through 12, inclusive, is incorporated
22 by this reference as if fully set forth herein.

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24 Mr. DELGADO, as the designated officer broker of DELGADO PMI, was
25 required to exercise reasonable supervision and control over the activities of DELGADO PMI.
26 Mr. DELGADO failed to exercise reasonable supervision over the acts and/or omissions of
27 DELGADO PMI in such a manner as to allow the acts and/or omissions as described in

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1 Paragraphs 9 through 12, above, to occur, all in violation of section 10159.2 of the Code and
2 section 2725 of the Regulations.

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4 The facts described above as to the Second Cause of Action constitute cause for
5 the discipline of all licenses and license rights of Mr. DELGADO under section 10177(g) of the
6 Code and/or section 10177(h) of the Code in conjunction with section 10177(d) of the Code.

7 COST RECOVERY

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9 The acts and/or omissions of Respondents, as alleged above in the First Cause of
10 Action, entitle the Bureau to reimbursement of the costs of its audit pursuant to section 10148 of
11 the Code.

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13 The acts and/or omissions of Respondents, as alleged above, entitle the Bureau to
14 reimbursement of the costs of its audit pursuant to section 10148(b) (audit costs for trust fund
15 handling violation) of the Code.

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17 Section 10106 of the Code provides, in pertinent part, that in any order issued in
18 resolution of a disciplinary proceeding before the Bureau, the Commissioner may request the
19 Administrative Law Judge to direct a licensee found to have committed a violation of this part to
20 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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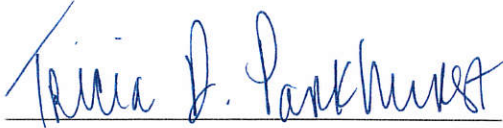
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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
3 action against all licenses and license rights of Respondents under the Code, for the cost of the
4 audit, investigation, and enforcement as permitted by law, and for such other and further relief as
5 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 13th day of March, 2017

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12 DISCOVERY DEMAND

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