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FILED

MAY 21 2019

DEPARTMENT OF REAL ESTATE
By B. Nicholas

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of

12 DELTA DREAMS PROPERTY MANAGEMENT,
13 INC., MITCHELL S. SHANNON, and RENEE
14 ALYSSA HANNAH-SMITH,

15 Respondents.

No. H-6813 SAC

ACCUSATION

16 The Complainant, TRICIA D. PARKHURST, a Supervising Special Investigator
17 of the State of California, for cause of Accusation against DELTA DREAMS PROPERTY
18 MANAGEMENT, INC. (DELTA), MITCHELL S. SHANNON (SHANNON), and RENEE
19 ALYSSA HANNAH-SMITH (HANNA-SMITH), (collectively "Respondents"), are informed
20 and alleges as follows:

21 PRELIMINARY ALLEGATIONS

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

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

At all times after October 11, 2017, Respondent DELTA was and is licensed by the State of California Department of Real Estate (Department) individually as a real estate corporation. On or about August 18, 2017, DELTA was registered as a domestic corporation with the Secretary of State for the State of California.

At all times mentioned, Respondent SHANNON was and is licensed by the Department individually as a real estate broker. At all times after October 11, 2017, SHANNON was and is licensed as the designated broker officer of DELTA. As said designated officer-broker, SHANNON was and is 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 DELTA for which a license is required.

At all times after September 17, 2018, Respondent HANNA-SMITH was and is licensed by the Department as a real estate salesperson. At all times after September 19, 2018, HANNA-SMITH was licensed under the employ of DELTA. At no time prior to September 17, 2018 was HANNA-SMITH licensed by the Department in any capacity.

At all times mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers in the State of California, within the meaning of Section 10131(b) of the Code in 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 placed for rent, and solicited listings of places for rent, and solicited for prospective tenants of

1 real property or improvements thereon, and collected rents from real property or improvements
2 thereon.

3 FIRST CAUSE OF ACTION

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

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8 Prior to September 17, 2018, DELTA employed and compensated HANNA-
9 SMITH, while HANNA-SMITH was unlicensed to perform the acts and conduct the real estate
10 activities described in Paragraph 6, above, including but not limited to the activities described in
11 Paragraph 9, below.

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13 Prior to September 17, 2018, HANNA-SMITH, while unlicensed and on behalf of
14 DELTA, solicited prospective tenants for, negotiated rental agreements for, and/or collected rents
15 from real properties owned by another or others, including but not limited to the properties
16 located at 445 East Almond Drive, #152, Lodi; 1819 Cherokee Lane, #2, Lodi; 22 Wild Rose
17 Court, Lodi; and 4 Robin Court, Lodi.

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19 In acting as described in paragraphs 7 through 9, above, HANNA-SMITH and
20 DELTA willfully caused, suffered, permitted, and/or disregarded Sections 10130 and/or 10137
21 of the Code.

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23 The facts described in the First Cause of Action constitute cause to suspend or
24 revoke all licenses and license rights of HANNA-SMITH and DELTA pursuant to the
25 provisions of Sections 10130 and/or 10137 of the Code in conjunction with Section 10177(d) of
26 the Code.

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In the course of the activities described in Paragraph 6, above, DELTA:

(a) caused, suffered, or permitted the balance of funds in Account #1 to be reduced to an amount which, as of July 1, 2018, was approximately \$630.09 less than the aggregate liability of Account #1 in violation of Section 10145 of the Code and Section 2832.1 of Title 10 of the California Code of Regulations (Regulations); and

(b) prior to September 17, 2018, caused, permitted, and/or allowed, the possible withdrawal of trust funds from the trust accounts by a person, HANNA-SMITH, who was not licensed by the Department and not covered by a fidelity bond in violation of Section 2834 of the Regulations.

The facts alleged in the Second Cause of Action are grounds for the suspension or revocation of DELTA's licenses and license rights under the following sections of the Code and Regulations:

As to Paragraph 16(a), under Sections 10177(d) and/or 10177(g) of the Code in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations; and

As to Paragraph 16(b), under Sections 10177(d) and/or 10177(g) of the Code in conjunction with Section 10145 of the Code and Section 2834 of the Regulations.

THIRD CAUSE OF ACTION

Each and every allegation in Paragraphs 1 through 17, inclusive, above, are incorporated by this reference as if fully set forth herein.

Respondent SHANNON failed to exercise reasonable supervision over the acts of DELTA in such a manner as to allow the acts and events described above to occur.

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The acts and/or omissions of SHANNON as described in Paragraph 19, constitutes failure on the part of SHANNON, as designated broker-officer for DELTA, to exercise reasonable supervision and control over the licensed activities of DELTA as required by Section 10159.2 of the Code and Section 2725 of the Regulations.

The facts described above as to the Third Cause of Action constitute cause for the suspension or revocation of the licenses and license rights of Respondent SHANNON under Section 10177(g) and/or Section 10177(h) of the Code, and Section 10159.2 of the Code in conjunction with Section 10177(d) of the Code.

COST RECOVERY

The acts and/or omissions of Respondents DELTA and SHANNON as alleged above, entitle the Department to reimbursement of the costs of its audit pursuant to Section 10148(b) (audit costs for trust fund handling violation) of the Code.

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 the investigation and enforcement of the case.

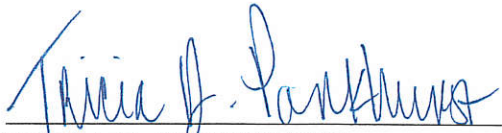
WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing discipline on all licenses and license rights of Respondents under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the cost of the investigation and enforcement of this case as

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1 permitted by law, for the cost of the Department's audit as permitted by law, and for such other
2 and further relief as may be proper under the provisions of law.

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5 TRICIA D. PARKHURST
6 Supervising Special Investigator

7 Dated at Sacramento, California,
8 this 15th day of May, 2019
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11 DISCOVERY DEMAND

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