

1 TRULY SUGHRUE, Counsel
2 State Bar No. 223266
3 Department of Real Estate
4 P.O. Box 137007
5 Sacramento, CA 95813-7007

6 Telephone: (916) 576-8700
7 (916) 576-7847 (Direct)
8 Fax: (916) 263-3767

FILED

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DEPARTMENT OF REAL ESTATE

By B. Nicholas

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

RICHARD EDWIN HADSELL,

Respondent.

No. H-6896 SAC

ACCUSATION

The Complainant, TRICIA D. PARKHURST, a Supervising Special Investigator
of the State of California, for cause of Accusation against RICHARD EDWIN HADSELL
(Respondent), is informed and alleges as follows:

PRELIMINARY ALLEGATIONS

1

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

2

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

3

At all times mentioned, Respondent was and is licensed by the Department
individually as a real estate broker.

At all times mentioned, Respondent engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker 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, Respondent 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 real property or improvements thereon, and collected rents from real property or improvements thereon.

On or about August 12, 2019, and continuing intermittently through August 16, 2019, an audit was conducted of the records of Respondent. The auditor herein examined the records for the period of January 1, 2018, through June 30, 2019.

While acting as a real estate broker as described in Paragraph 4, Respondent accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in connection with the leasing, renting, and collection of rents on real property or improvements thereon, as alleged herein, and thereafter from time-to-time made disbursements of said trust funds.

The trust funds accepted or received by Respondent as described in Paragraph 6 were deposited or caused to be deposited by Respondent into trust accounts which were maintained by Respondent for the handling of trust funds, and thereafter from time-to-time Respondent made disbursements of said trust funds, identified as follows:

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TRUST ACCOUNT # 1	
Bank Name and Location:	Plumas Bank 35 S. Lindan Avenue Quincy, CA 95971
Account No.:	XXXXXX4369
Entitled:	Martis Valley Rental Long Term Trust

BANK ACCOUNT # 1	
Bank Name and Location:	Plumas Bank 35 S. Lindan Avenue Quincy, CA 95971
Account No.:	XXXXXX4336
Entitled:	The Richard E Hadsell & Sharron L Hadsell Rev Richard & Sharon Hadsell, Ttees DBA: Martis V Operating

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In the course of the activities described in Paragraph 4, Respondent:

(a) caused, suffered, or permitted the balance of funds in Trust Account #1 to be reduced to an amount which, as of June 30, 2019, was approximately \$46,556.56 less than the aggregate liability of Account #1 to all owners of such funds in violation of Section 10145 of the Code and Section 2832.1 of Title 10 of the California Code of Regulations (Regulations);

(b) caused, permitted, and/or allowed, the possible withdrawal of trust funds from Trust Account #1, by Sharon Hadsell, a real estate broker who had not entered into a written agreement pursuant to Section 2726 of the Regulations, in violation of Section 2834 of the Regulations;

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1 (c) failed to deposit trust funds into a trust fund account in the name of
2 Respondent as trustee at a bank or other financial institution, in conformance with Section 10145
3 of the Code and Section 2832 of the Regulations;

4 (d) commingled with its own money or property, the money or property of
5 others which was received or held by Respondent in trust in violation of Section 10176(e) of the
6 Code;

7 (e) failed to maintain accurate an columnar record in chronological sequence
8 of all trust funds received and disbursed from Trust Account #1 and Bank Account #1 containing
9 all required information, in violation of Section 2831 of the Regulations;

10 (f) failed to keep accurate separate records for each beneficiary or transaction,
11 accounting therein for all funds which were deposited into Trust Account #1 and Bank Account
12 #1 containing all of the information required by Section 2831.1 of the Regulations; and

13 (g) failed to reconcile the balance of separate beneficiary or transaction
14 records with the control record of trust funds received and disbursed at least once a month,
15 and/or failed to maintain a record of such reconciliations for Trust Account #1 and Bank
16 Account #1 as required by Section 2831.2 of the Regulations.

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18 The facts alleged above are grounds for the suspension or revocation of
19 Respondent's license and license rights under the following sections of the Code and
20 Regulations:

21 As to Paragraph 9(a), under Sections 10177(d) and/or 10177(g) of the Code in
22 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

23 As to Paragraph 9(b), under Sections 10177(d) and/or 10177(g) of the Code in
24 conjunction with Section 2834 of the Regulations and Section 10145 of the Code;

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1 As to Paragraph 9(c), under Sections 10177(d) and/or 10177(g) of the Code in
2 conjunction with Section 2832 of the Regulations and Section 10145 of the Code;

3 As to Paragraph 9(d), under Sections 10176(e) of the Code;

4 As to Paragraph 9(e), under Sections 10177(d) and/or 10177(g) of the Code in
5 conjunction with Section 2831 of the Regulations and Section 10145 of the Code;

6 As to Paragraph 9(f), under Sections 10177(d) and/or 10177(g) of the Code in
7 conjunction with Section 2831.1 of the Regulations and Section 10145 of the Code; and

8 As to Paragraph 9(g), under Sections 10177(d) and/or 10177(g) of the Code in
9 conjunction with Section 2831.2 of the Regulations and Section 10145 of the Code.

10 COST RECOVERY

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

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

21 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
22 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
23 action against all licenses and license rights of Respondent under the Code, for the cost of

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

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5 TRICIA D. PARKHURST
6 Supervising Special Investigator

7 Dated at Sacramento, California,
8 this 13th day of November, 2019.

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10 DISCOVERY DEMAND

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