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DEPARTMENT OF REAL ESTATE  
By X. X. X.

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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of:

SALLY RAE KALAVERAS and  
DARRELL FINLEY COX,

Respondents.

No. H-6946 SAC  
ACCUSATION

The Complainant, TRICIA D. PARKHURST, acting in her official capacity as Supervising Special Investigator for the State of California, brings this Accusation against SALLY RAE KALAVERAS ("KALAVERAS") and DARRELL FINLEY COX ("COX") (collectively referred to as "Respondents"), is informed and alleges as follows:

PRELIMINARY ALLEGATIONS

1

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").

2

At all times mentioned herein, Respondent KALAVERAS was and is licensed by the State of California Department of Real Estate ("Department") as a real estate broker.

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2 At all times mentioned herein, Respondent COX was licensed by the Department  
3 as a real estate broker.

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5 At no time mentioned was Jeffry D. Forcier licensed by the Department in any  
6 capacity.

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8 At all times mentioned, Respondents engaged in the business of, acted in the  
9 capacity of, advertised, or assumed to act as a real estate broker within the State of California  
10 within the meaning of Sections 10131(b) of the Code, including the operation and conduct of a  
11 property management business with the public wherein, on behalf of others, for compensation or  
12 in expectation of compensation, Respondents leased or rented and offered to lease or rent, and  
13 solicited for prospective tenants of real property or improvements thereon, and collected rents  
14 from real property or improvements thereon.

15 FIRST CAUSE OF ACTION

16 Audit Violations

17 (As to Respondent KALAVERAS only)

18 6

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

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22 Beginning on or about September 10, 2019, and continuing intermittently through  
23 December 11, 2019, an audit was conducted of KALAVERAS's records. The auditor herein  
24 examined the records for the period of May 1, 2018, through September 30, 2019.

25 8

26 While acting as a real estate licensee as described in Paragraph 5, KALAVERAS  
27 accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in

1 connection with the leasing, renting, and collection of rents on real property or improvements  
2 thereon, as alleged herein, and thereafter from time-to-time made disbursements of said trust  
3 funds.

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5 The trust funds accepted or received by KALAVÉRAS as described in Paragraph  
6 8 were deposited or caused to be deposited by KALAVÉRAS into a trust account maintained by  
7 KALAVÉRAS for the handling of trust funds, and thereafter from time-to-time KALAVÉRAS  
8 made disbursements of said trust funds, identified as follows:

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| BANK ACCOUNT # 1            |   |
|-----------------------------|---|
| Bank Name and Location:     | Rabobank, N.A.<br>P.O. Box 6010<br>Santa Maria, CA 93456-6010   |
| Account No.:                | XXXXX7386   |
| Entitled:                   | Jeffry D. Forcier DBA Napa Valley Rentals Only  |
| Signatories:                | Undetermined  |
| No. of Signatures Required: | One   |
| Purpose:                    | Used for deposits, disbursements, and security deposits related<br>to properties managed by KALAVÉRAS |

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16 10

17 In the course of the activities described in Paragraph 10, KALAVÉRAS:

18 (a) caused, suffered or permitted the combined balance of funds in Bank  
19 Account #1 to contain a shortage of \$119.00 without the prior written consent of each and every  
20 owner of such funds, in violation of Section 10145 of the Code and Section 2832.1 of Title 10,  
21 California Code of Regulations ("the Regulations");

22 (b) employed and/or compensated Jeffry D. Forcier, who is unlicensed, to  
23 perform real estate activities on behalf of KALAVÉRAS, within the meaning of 10130(b) of the  
24 Code, in violation of Section 10137 of the Code;

25 (c) failed to obtain a real estate license bearing the fictitious business names  
26 "Napa Valley Property Rentals," "Napa Valley Rentals Only," and "NV Rentals Only" before  
27 ///

1 conducting in those names activities for which a license was required, in violation of Section  
2 10159.5 of the Code, and Section 2731 of the Regulations;

3 (d) failed to place trust funds entrusted to KALAVERAS into the hands of  
4 a principal on whose behalf the funds were received, into a neutral escrow depository, or into  
5 a trust fund account in the name of KALAVERAS as trustee at a bank or other financial  
6 institution, in that trust funds were deposited into Bank Account #1, in violation of Section  
7 10145 of the Code and Section 2832 of the Regulations;

8 (e) failed to maintain a complete and accurate record of all trust funds  
9 received and disbursed for Bank Account #1, in violation of Section 10145 of the Code and  
10 Section 2831 of the Regulations;

11 (f) for two properties managed by KALAVERAS located at 1002-1018  
12 Laurel St. 6290 Welsh Court, KALAVERAS did not place trust funds into Bank Account #1 and  
13 did not maintain records identifying from whom trust funds were received or when trust funds  
14 were received related to these two properties, in violation of Section 10145 of the Code and  
15 Section 2831 of the Regulations;

16 (g) failed to maintain separate records for each beneficiary or property of trust  
17 funds accepted or received for Bank Accounts #1 in violation of Section 10145 of the Code and  
18 Section 2831.1 of the Regulations; and

19 (h) failed to reconcile at least once a month, the balance of all separate  
20 beneficiary or transaction records with the balance of the control records for Bank Accounts #1  
21 in violation Section 10145 of the Code and Section 2831.2 of the Regulations.

22 11

23 The acts and/or omissions of KALAVERAS as alleged above in Paragraph 10  
24 constitute grounds for the suspension or revocation of all licenses and license rights of  
25 KALAVERAS pursuant to the following provisions of the Code and Regulations:

26 As to Paragraph 10(a), under Section 10177(d) and/or 10177(g) of the Code, in  
27 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

1 As to Paragraph 10(b), under Sections 10130(b) 10137 of the Code;  
2 As to Paragraph 10(c), under Section 10177(d) and/or 10177(g) of the Code, in  
3 conjunction with Section 10159.5 of the Code and Section 2731 of the Regulations;  
4 As to Paragraph 10(d), under Section 10177(d) and/or 10177(g) of the Code, in  
5 conjunction with Section 10145 of the Code and Section 2832 of the Regulations;  
6 As to Paragraph 10(e), under Section 10177(d) and/or 10177(g) of the Code, in  
7 conjunction with Section 10145 of the Code and Section 2831 of the Regulations;  
8 As to Paragraph 10(f), under Section 10177(d) and/or 10177(g) of the Code, in  
9 conjunction with Section 10145 of the Code and Section 2831 of the Regulations;  
10 As to Paragraph 10(g), under Section 10177(d) and/or 10177(g) of the Code, in  
11 conjunction with Section 10145 of the Code and Section 2831.1 of the Regulations; and  
12 As to Paragraph 10(h), 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;

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15 The acts and/or omissions of KALAVERAS as alleged above in Paragraph 11  
16 entitle the Department to reimbursement of the costs of its audit pursuant to section 10148 of the  
17 Code.

18 SECOND CAUSE OF ACTION  
19 Audit Violations  
(As to Respondent COX only)

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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 Beginning on or about September 10, 2019, and continuing intermittently through  
25 October 9, 2019, an audit was conducted of COX's records. The auditor herein examined the  
26 records for the period of July 1, 2018, through July 31, 2019.

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While acting as a real estate licensee as described in Paragraph 5, COX 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 COX, as described in Paragraph 15, were deposited or caused to be deposited by COX into trust accounts which were maintained by COX for the handling of trust funds, and thereafter from time-to-time COX made disbursements of said trust funds, identified as follows:

| <b>BANK ACCOUNT # 1</b>            |  |
|------------------------------------|--|
| <b>Bank Name and Location:</b>     | Rabobank, N.A.<br>P.O. Box 6010<br>Santa Maria, CA 93456-6010            |
| <b>Account No.:</b>                | XXXXXX7386   |
| <b>Entitled:</b>                   | Jeffry D. Forcier DBA Napa Valley Rentals Only                           |
| <b>Signatories:</b>                | Jeffry Forcier – Unlicensed<br>Darrell Cox - REB                         |
| <b>No. of Signatures Required:</b> | One  |
| <b>Purpose:</b>                    | Used for deposits and disbursements related to properties managed by COX |

| <b>BANK ACCOUNT # 2</b>            |   |
|------------------------------------|---|
| <b>Bank Name and Location:</b>     | Rabobank, N.A.<br>P.O. Box 6010<br>Santa Maria, CA 93456-6010 |
| <b>Account No.:</b>                | XXXXXX9900  |
| <b>Entitled:</b>                   | Jeffry D. Forcier DBA Napa Valley Rentals Only                |
| <b>Signatories:</b>                | Jeffry Forcier – Unlicensed<br>Darrell Cox - REB              |
| <b>No. of Signatures Required:</b> | One   |
| <b>Purpose:</b>                    | Used to hold security deposits for properties managed by COX  |

In the course of the activities described in Paragraph 16, COX:

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1 (a) caused, suffered or permitted the combined balance of funds in Bank  
2 Account #1 to contain a shortage of \$6,500 without the prior written consent of each and every  
3 owner of such funds, in violation of Section 10145 of the Code and Section 2832.1 of the  
4 Regulations;

5 (b) caused, suffered or permitted the combined balance of funds in Bank  
6 Account #2 to contain a shortage of \$9,740 without the prior written consent of each and every  
7 owner of such funds, in violation of Section 10145 of the Code and Section 2832.1 of the  
8 Regulations;

9 (c) failed to obtain a real estate license bearing the fictitious business names  
10 "Napa Valley Rentals" and "Napa Valley Rentals Only" before conducting in those names  
11 activities for which a license was required, in violation of Section 10159.5 of the Code, and  
12 Section 2731 of the Regulations;

13 (d) employed and/or compensated Jeffrey D. Forcier, who is unlicensed, to  
14 perform real estate activities on behalf of COX, within the meaning of 10130(b) of the Code, in  
15 violation of Section 10137 of the Code;

16 (e) failed to place trust funds entrusted to COX into the hands of a  
17 principal on whose behalf the funds were received, into a neutral escrow depository, or into a  
18 trust fund account in the name of COX as trustee at a bank or other financial institution, in  
19 that trust funds were deposited into Bank Account #1 and Bank Account #2, in violation of  
20 Section 10145 of the Code and Section 2832 of the Regulations;

21 (f) failed to maintain a complete and accurate record of all trust funds  
22 received and disbursed for Bank Account #2, in violation of Section 10145 of the Code and  
23 Section 2831 of the Regulations;

24 (g) failed to maintain separate records for each beneficiary or property of trust  
25 funds accepted or received for Bank Account #1 and Bank Account #2, in violation of Section  
26 10145 of the Code and Section 2831.1 of the Regulations;

27 ///

1 (h) failed to reconcile at least once a month, the balance of all separate  
2 beneficiary or transaction records with the balance of the control records for Bank Account #1  
3 and Bank Account #2, in violation Section 10145 of the Code and Section 2831.2 of the  
4 Regulations;

5 (i) allowed an unlicensed individual without fidelity bond coverage, Jeffry  
6 M. Forcier, to be a signatory on the trust account, in violation of Section 10145 of the Code and  
7 Section 2834 of the Regulations; and

8 (j) deposited trust funds into Bank Account #2, an interest-bearing account,  
9 without satisfying the necessary requirements under the Code, in violation of Section 10145(d)  
10 of the Code.

11 18

12 The acts and/or omissions of COX, as alleged above in Paragraph 17, constitute  
13 grounds for the suspension or revocation of all licenses and license rights of COX pursuant to the  
14 following provisions of the Code and Regulations:

15 As to Paragraph 17(a), under Section 10177(d) and/or 10177(g) of the Code, in  
16 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

17 As to Paragraph 17(b), under Section 10177(d) and/or 10177(g) of the Code, in  
18 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

19 As to Paragraph 17(c), under Section 10177(d) and/or 10177(g) of the Code, in  
20 conjunction with Section 10159.5 of the Code and Section 2731 of the Regulations;

21 As to Paragraph 17(d), under Section 10177(d) and/or 10177(g) of the Code, in  
22 conjunction with Section 10137 of the Code;

23 As to Paragraph 17(e), under Section 10177(d) and/or 10177(g) of the Code, in  
24 conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

25 As to Paragraph 17(f), under Section 10177(d) and/or 10177(g) of the Code, in  
26 conjunction with Section 10145 of the Code and Section 2831 of the Regulations;

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1 As to Paragraph 17(g), under Section 10177(d) and/or 10177(g) of the Code, in  
2 conjunction with Section 10145 of the Code and Section 2831.1 of the Regulations;

3 As to Paragraph 17(h), under Section 10177(d) and/or 10177(g) of the Code, in  
4 conjunction with Section 10145 of the Code and Section 2831.2 of the Regulations;

5 As to Paragraph 17(i), under Section 10177(d) and/or 10177(g) of the Code, in  
6 conjunction with Section 10145 of the Code and Section 2834 of the Regulations; and

7 As to Paragraph 17(j), under Section 10177(d) and/or 10177(g) of the Code, in  
8 conjunction with Section 10145(d) of the Code.

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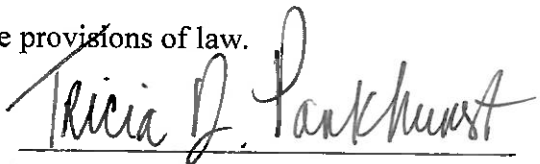
10 The acts and/or omissions of COX as alleged above in Paragraph 18 entitle the  
11 Department to reimbursement of the costs of its audit pursuant to section 10148 of the Code.

12 COST RECOVERY

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

18 WHEREFORE, Complainant prays that a hearing be conducted on the allegations  
19 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary  
20 action against all licenses, license rights, endorsements, and endorsement rights of Respondents  
21 under the Code, for the cost of investigation and enforcement as permitted by law, and for such  
22 other and further relief as may be proper under the provisions of law.

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24 TRICIA D. PARKHURST  
25 Supervising Special Investigator

26 Dated at Sacramento, California,  
27 this 20th day of May, 2020.

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