

**FILED**

**JUL 01 2020**

DEPARTMENT OF REAL ESTATE

By                     *Adw*                    

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 8 BEFORE THE DEPARTMENT OF REAL ESTATE  
 9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of :	)	No. H-6982 SAC
12 TRUCKEE RESERVATIONS, INC.,	)	<u>ACCUSATION</u>
13 BRUCE W. WATKINS, and	)	
14 SUSAN EWRY,	)	
15 Respondents.	)	

16 The Complainant, TRICIA D. PARKHURST, in her official capacity as  
 17 Supervising Special Investigator of the State of California, Department of Real Estate  
 18 (“Department”), brings this Accusation against TRUCKEE RESERVATION, INC.  
 19 (“TRUCKEE”), BRUCE W. WATKINS (“WATKINS”) and SUSAN EWRY (“S. EWRY”),  
 20 (collectively “Respondents”), and is informed and alleges as follows:

21 PRELIMINARY ALLEGATIONS

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

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On August 13, 2019, TRUCKEE became licensed by the Department as a corporate real estate broker. Prior to August 13, 2019, TRUCKEE was not licensed by the Department in any capacity.

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

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At all relevant times, WATKINS was the designated officer of TRUCKEE 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 TRUCKEE for which a real estate license is required.

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At all relevant times, Geoffrey Bryan Ewry ("G. Ewry") was unlicensed by the Department. However, G. Ewry was licensed with the Department as a real estate salesperson from July 15, 2004 to July 16, 2016.

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At all relevant times, S. EWRY was and is licensed by the Department individually as a real estate salesperson and served as Secretary for TRUCKEE. S. EWRY's broker of record with the Department was Dance Hall Investors.

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

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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 Sections 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.

FIRST CAUSE OF ACTION  
(Unlicensed Activities as to all Respondents)

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Each and every allegation in Paragraphs 1 through 8, inclusive, is incorporated by this reference as if fully set forth herein.

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S. EWRY and G. Ewry, on behalf of TRUCKEE and while under the supervision of WATKINS, solicited prospective tenants, negotiated rental agreements, and/or collected rents from real properties owned by another or others.

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Respondents willfully caused, suffered, permitted, and/or disregarded the Real Estate Law by engaging in activities requiring a real estate license, under the name of TRUCKEE, an entity unlicensed by the Department at the time. Respondents engaged in the following transactions that were in violation of Real Estate Law.

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<u>Property Address</u>	<u>Type of Agreement</u>	<u>Name of Owner/Tenant</u>	<u>Date of Agreement</u>
16680 Northwoods Blvd.	Property Management Agreement with Owner	Anderson	10/18/16-10/18/18
16680 Northwoods Blvd.	Residential Lease Agreement	Rogers	12/01/16-03/31/17
16680 Northwoods Blvd.	Residential Lease Agreement	Heaps	04/01/18-04/01/19
11569 Snowpeak Way #652	Residential Lease Agreement	Farley, Teel, and Farris	10/12/18-10/13/19
17021 Northwoods Blvd.	Residential Lease Agreement	Souza and Terry	10/30/18-10/31/19
14345 Skislope Way	Residential Lease Agreement	Christensen	01/05/19-05/31/19
12947 Northwoods Blvs. #3	Residential Lease Agreement	Rufo and Andrade	06/01/19-05/21/20
13626 Davos Dr.	Residential Lease Agreement	Estabrook	06/15/19-06/15/20

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The facts alleged in the FIRST CAUSE OF ACTION are grounds for the suspension or revocation of Respondents' licenses and license rights pursuant to Sections 10130, 10131, 10177(d), and 10177(g) of the Code.

**SECOND CAUSE OF ACTION**  
(Audit Violations as to WATKINS and TRUCKEE)

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

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Beginning on or about March 18, 2019, and continuing through April 17, 2019, an audit was conducted of TRUCKEE's records. The auditor examined the records for the period of July 1, 2017, through August 12, 2019 ("audit period").

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During the audit period, Respondents accepted and/or received funds in trust ("trust funds") from, or on behalf of, owners and tenants in connection with the leasing, renting,

1 and collection of rents on real property or improvements thereon, as alleged herein, and  
2 thereafter from time to time made disbursements of said trust funds.

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4 While engaging in the real estate activities described above in Paragraph 8, and  
5 within the audit period, Respondents accepted or received funds in trust ("trust funds") and  
6 deposited or caused the trust funds to be deposited into the following accounts:

BANK ACCOUNT # 1	
Bank Name and Location:	Plumas Bank 35 S. Linden Ave., Quincy, CA 95971
Account No.:	3422
Name:	Truckee Reservations LLC Trust
Signatories:	Geoffrey B. Ewry (expired RES)
Purpose:	Bank Account #1 was not a broker trust account but was used by TRUCKEE in the management of approximately sixty five (65) residential properties.

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14 In the course of the real estate broker activities described above in Paragraph 8,  
15 and during the audit period, WATKINS and TRUCKEE:

16 (a) Caused, suffered, or permitted the balance of funds in Bank Account #1 to  
17 be reduced to an amount that, as of July 31, 2019, was approximately \$19,669.92 less than the  
18 aggregate liability in Bank Account #1, without the prior written consent of each and every  
19 owner of such funds, in violation of Sections 10145 of the Code, and Section 2832.1 of Chapter  
20 6, Title 10, California Code of Regulations ("Regulations");

21 (b) Conducted real estate activities under the unlicensed corporation Truckee  
22 Reservations, Inc., in violation of Sections 10130 and 10131 of the Code;

23 (c) Failed to place trust funds entrusted to Respondents into a trust fund  
24 account in the name of the broker, in violation of Section 10145 of the Code and Section 2832 of  
25 the Regulations;

26 (d) Commingled Respondents' own money with trust funds, in violation of  
27 Section 10176(e) of the Code and Section 2835 of the Regulations;

1 (e) Failed to maintain complete and accurate control records for all trust funds  
2 received and/or disbursed in Bank Account #1, in violation of Section 10145 of the Code and  
3 Section 2831 of the Regulations;

4 (f) Failed to maintain accurate and complete separate beneficiary records of  
5 trust funds accepted and/or received in Bank Account #1, in violation of Section 10145(g) of the  
6 Code, and Section 2831.1 of the Regulations;

7 (g) Failed to reconcile at least once per month the balance of all separate  
8 beneficiary records to the balance of the control records for Bank Account #1, in violation of  
9 Section 10145 of the Code and Section 2831.2 of the Regulations;

10 (h) Permitted G. Ewry, an unlicensed individual, to serve as a signatory on  
11 Bank Account #1, in violation of Section 10145 of the Code and Section 2834 of the  
12 Regulations;

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14 The acts and/or omissions of WATKINS and TRUCKEE as alleged in the  
15 SECOND CAUSE OF ACTION constitute grounds for the suspension or revocation of all  
16 licenses and license rights of WATKINS and TRUCKEE pursuant to the following provisions:

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

19 As to Paragraph 17(b), under Section 10130, 10131, 10177(d), and/or 10177(g)  
20 of the Code;

21 As to Paragraph 17(c), under Sections 10145, 10177(d) and 10177(g) of the  
22 Code, in conjunction with Section 2832 of the Regulations;

23 As to Paragraph 17(d), under Sections 10145, 10176(e), 10177(d), and 10177(j)  
24 of the Code, and Section 2835 of the Regulations;

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

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

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

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

7 THIRD CAUSE OF ACTION  
8 (Failure to supervise as to WATKINS)

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10 Each and every allegation in Paragraphs 1 through 18, inclusive, is incorporated  
11 by this reference as if fully set forth herein.

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13 WATKINS, as the designated broker officer of TRUCKEE, was required to  
14 exercise reasonable supervision and control over the activities of TRUCKEE. WATKINS failed  
15 to exercise reasonable supervision over the acts and/or omissions of TRUCKEE in such a  
16 manner as to allow the acts and/or omissions described above to occur, in violation of Section  
17 10159.2 of the Code, in conjunction with Section 2725 of the Regulations.

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19 The facts described above as to the THIRD CAUSE OF ACTION constitute  
20 cause for discipline of all licenses and license rights of WATKINS pursuant to Sections  
21 10177(d), 10177(g), and 10177(h) of the Code.

22 COST RECOVERY

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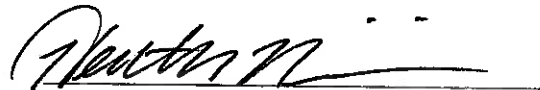
24 The acts and/or omissions of Respondents entitle the Department to  
25 reimbursement of the costs of its audit pursuant to Section 10148(b) (audit costs for trust fund  
26 handling violation) of the Code.

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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 disciplinary action against all licenses and license rights of Respondents under the Code, for the costs of investigation and enforcement as permitted by law, for the cost of the audit, and for such other and further relief as may be proper under other provisions of law.



HEATHER NISHIMURA  
Supervising Special Investigator

Dated at Sacramento, California,  
this 12<sup>th</sup> day of July, 2020

DISCOVERY DEMAND

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