

1 JASON D. LAZARK, Counsel
2 State Bar No. 263714
3 Department of Real Estate
4 P.O. Box 137007
5 Sacramento, CA 95813-7007

6 Telephone: (916) 576-8700
7 (916) 576-78434 (Direct)

FILED

DEC 17 2020

DEPARTMENT OF REAL ESTATE

By Y. Lamy

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) NO. H-6991 SAC
12)
13 WELTON REALTY INC. and) ACCUSATION
14 TIMOTHY JAMES HELTON)
15 Respondents.)

16 The Complainant, TRICIA D. PARKHURST, acting in her official capacity as a
17 Supervising Special Investigator of the State of California, for cause of Accusation against
18 WELTON REALTY INC. ("WELTON INC.") and TIMOTHY JAMES HELTON ("HELTON")
19 (collectively referred to herein as "Respondents"), is informed and alleges as follows:

20 1

21 Respondent WELTON INC. is presently licensed by the California Department
22 of Real Estate ("the Department") and/or has license rights under the Real Estate Law, Part 1 of
23 Division 4 of the California Business and Professions Code ("the Code"), as a real estate broker
24 corporation.

25 2

26 Respondent HELTON is presently licensed by the Department and/or has license
27 rights under the Real Estate Law, Part 1 of Division 4 of the Code ("The Real Estate Law"), as a

1 real estate broker. At all relevant times, HELTON served as the designated broker-officer of
2 WELTON INC. As the designated officer, HELTON was responsible, pursuant to Section
3 10159.2 of the Code, for the supervision of the activities of the officers, agents, real estate
4 licensees and employees of WELTON INC. for which a real estate license is required.

5 3

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

11 4

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

19 **COUNT ONE**
20 **AUDIT VIOLATIONS**

(As to Respondents WELTON INC. and HELTON)

21 5

22 Each and every allegation in paragraphs 1 through 4, inclusive, above, is
23 incorporated by this reference as if fully set forth herein.

24 6

25 Beginning on or about May 20, 2019, and continuing intermittently through
26 October 8, 2019, an audit was conducted of Respondents' records. The auditor examined the
27 records for the period of October 8, 2018, through March 31, 2019.

While acting as real estate licensees, as described above in Paragraph 4, Respondents 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 Respondents, as described above in Paragraph 7, were deposited or caused to be deposited by Respondents into bank accounts maintained by Respondents for the handling of trust funds, and thereafter from time-to-time Respondents made disbursements of said trust funds, from the following accounts:

BANK ACCOUNT #1	
Bank:	Chase Bank 726 E. Street Marysville, CA 95901
Account No.:	XXXXXX8351
Entitled:	The Goodman Gals Property MGT
Signatories:	Cheryl Lynn Goodman-Edick (RES) Karen Lavon Goodman-Stratman (RES)
Purpose:	Used for holding handling trust funds for property management activities. Deposits consisted of rent, security deposit payments, and owner contributions. Disbursements consisted of owner proceeds, security deposit payouts, repairs and maintenance payments, and management fees.

BANK ACCOUNT #2	
Bank:	Chase Bank 726 E. Street Marysville, CA 95901
Account No.:	XXXXXX8377
Entitled:	The Goodman Gals Property MGT
Signatories:	Cheryl Lynn Goodman-Edick (RES) Karen Lavon Goodman-Stratman (RES)
Purpose:	Used for holding handling trust funds for property management activities. Deposits consisted of rent, security deposit payments and owner contributions. Disbursements consisted of owner proceeds, security deposit payouts, repairs and maintenance payments, and fees.

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

(a) caused, suffered or permitted the balance of funds in the Bank Account #1 to contain a shortage of \$34,298.57 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 Chapter 6, Title 10, California Code of Regulations ("the Regulations");

(b) caused, suffered or permitted the balance of funds in the Bank Account #2 to contain a shortage of \$1,814.20 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 maintain separate records for each beneficiary or property of trust funds accepted or received for Bank Account #2, in violation of Section 10145(g) of the Code and Section 2831.1 of the Regulations;

(d) 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 Bank Account #1 and Bank Account #2, in violation of Section 10145 of the Code and Section 2831.2 of the Regulations;

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

(f) failed to obtain a real estate license bearing the fictitious business name "Goodman Gals Property Management" before conducting in that name activities for which a license was required, in violation of Section 10159.5 of the Code, and Section 2731 of the Regulations.

///

///

The acts and/or omissions of Respondents, as alleged above in Paragraph 9, constitute grounds for the suspension or revocation of all licenses and license rights of Respondents pursuant to the following provisions of the Code and Regulations:

As to Paragraph 9(a), under Section 10177(d) of the Code, in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

As to Paragraph 9(b), under Section 10177(d) of the Code, in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

As to Paragraph 9(c), under Section 10177(d) of the Code, in conjunction with Section 10145(g) of the Code and Section 2831.1 of the Regulations;

As to Paragraph 9(d), under Section 10177(d) of the Code, in conjunction with Section 10145 of the Code and Section 2831.2 of the Regulations;

As to Paragraph 9(e), under Section 10177(d) of the Code, in conjunction with Section 10145 of the Code and Section 2832 of the Regulations; and

As to Paragraph 9(f), under Section 10177(d) of the Code, in conjunction with Section 10159.5 of the Code and Section 2731 of the Regulations.

COUNT TWO
FAILURE TO SUPERVISE
(As to HELTON only)

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

HELTON, as the designated officer of WELTON INC., was required to exercise reasonable supervision and control over the activities of WELTON INC., its employees, and the real estate activities being conducted by WELTON INC.

///

///

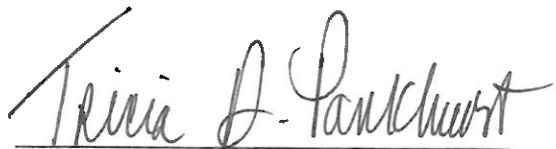
HELTON failed to exercise reasonable supervision over the acts and/or omissions of WELTON INC. and its employees, in such a manner as to allow the acts and/or omissions as described above in the First Cause of Action to occur, which constitutes cause for the suspension or revocation of the license(s) and license rights of HELTON under Sections 10177(d), 10177(g), and/or 10177(h) and 10159.2 of the Code, in conjunction with Section 2725 of the Regulations.

COST RECOVERY

The acts and/or omissions of Respondents, as alleged above in First Cause of Action entitle the Department to reimbursement of the costs of its audit pursuant to Section 10148(b) 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 disciplinary action against all licenses and license rights of Respondents under the Code, for the cost 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.



TRICIA D. PARKHURST
Supervising Special Investigator

Dated at Sacramento, California,
this 2nd day of November, 2020

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27

- 7 -