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DEPARTMENT OF REAL ESTATE

By B. Nicholas

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

LISA RAE NAVARRO,

Respondent.

No. H-6999 SAC

ACCUSATION

The Complainant, TRICIA D. PARKHURST, a Supervising Special Investigator of the State of California, for cause of Accusation against LISA RAE NAVARRO (Respondent), are informed and alleges as follows:

PRELIMINARY ALLEGATIONS

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

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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).

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

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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 May 12, 2020, through June 29, 2020, an audit was conducted of the records of Respondent. The auditor herein examined the records for the period of January 1, 2019, through January 31, 2020.

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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ACCOUNT # 1	
Bank Name and Location:	First Northern Bank 434 Second Street Davis, CA 95616
Account No.:	XXX2840
Entitled:	Lisa Navarro Paragon Property Management Trust Account

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

(a) caused, suffered, or permitted the balance of funds in Account #1 to be reduced to an amount which, as of January 31, 2020, was approximately \$68,671.95 less than the aggregate liability of Account #1 in violation of Sections 10176(i) and 10145 of the Code and Section 2832.1 of Title 10 of the California Code of Regulations (Regulations);

(b) failed to deposit trust funds into one or more trust funds accounts in the name of Respondent as trustee at a bank or other financial institution, in conformance with Section 10145 of the Code and Section 2832 of the Regulations;

(c) failed to maintain a written control record, for Account #1 of all trust funds received and disbursed, containing all information required by Section 2831 of the Regulations;

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

(e) failed to maintain on file with the Real Estate Commissioner the address of her principal place of business as required by Section 10162 of the Code and 2715 of the Regulations; and

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1 (f) conducted real estate activities using the fictitious business name "Paragon
2 Properties", without first registering this fictitious business name with the Department as
3 required by Section 10159.5 of the Code and Section 2731 of the Regulations.

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5 The facts alleged above are grounds for the suspension or revocation of
6 Respondent's licenses and license rights under the following sections of the Code and
7 Regulations:

8 As to Paragraph 8(a) under Sections 10176(i), 10177(d) and/or 10177(g) of the
9 Code in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

10 As to Paragraph 8(b), under Sections 10177(d) and/or 10177(g) of the Code in
11 conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

12 As to Paragraph 8(c), under Sections 10177(d) and/or 10177(g) of the Code in
13 conjunction with Section 10145 of the Code and Section 2831 of the Regulations;

14 As to Paragraph 8(d), under Sections 10177(d) and/or 10177(g) of the Code in
15 conjunction with Section 10145 of the Code and Section 2831.1 of the Regulations;

16 As to Paragraph 8(8), under Sections 10177(d) and/or 10177(g) of the Code in
17 conjunction with Section 10162 of the Code and Section 2715 of the Regulations; and

18 As to Paragraph 8(f), under Sections 10177(d) and/or 10177(g) of the Code in
19 conjunction with Section 10159.5 of the Code and Section 2731 of the Regulations.

20 COST RECOVERY

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

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26 Section 10106 of the Code provides, in pertinent part, that in any order issued in
27 resolution of a disciplinary proceeding before the Department, the Commissioner may request the

1 Administrative Law Judge to direct a licensee found to have committed a violation of this part to
2 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

3 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
4 of this Accusation and that upon proof thereof, a decision be rendered imposing discipline on all
5 licenses and license rights of Respondent under the Real Estate Law (Part 1 of Division 4 of the
6 Business and Professions Code), for the cost of the investigation and enforcement of this case as
7 permitted by law, for the cost of the Department's audit as permitted by law, and for such other
8 and further relief as may be proper under the provisions of law.

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11 TRICIA D. PARKHURST
12 Supervising Special Investigator
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14 Dated at Sacramento, California,
15 this 14 day of October, 2020
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DISCOVERY DEMAND

Pursuant to Sections 11507.6, *et seq.* of the *Government Code*, 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.