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DEPARTMENT OF REAL ESTATE

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of:

DALE REGINALD PERRYMAN,

Respondent.

No. H-7006 SAC

ACCUSATION

The Complainant, TRICIA PARKHURST, in her official capacity as a Supervising Special Investigator of the State of California, Department of Real Estate ("Department"), brings this Accusation against DALE REGINALD PERRYMAN ("Respondent"), and is informed and alleges as follows:

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Respondent is presently licensed by the Department and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("Code"), as a real estate broker, License No. 000995456.

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At all relevant times, Respondent was doing business under the fictitious business name of 41 North Property Group, LLC, ("41 NORTH"), an entity unlicensed by the Department.

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At all relevant times herein, Respondent and/or 41 NORTH were engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate licensees within the State of California within the meaning of Section 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, Respondent and/or 41 NORTH leased or rented or 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.

The Department received a consumer complaint from David C. on behalf of his grandmother Dorothy, who passed away in November 2019. The complaint alleged that Respondent wrongfully and unlawfully withheld Dorothy C.'s security deposit, engaged in unlicensed activities, and/or fraud and dishonest dealings.

Beginning on March 1, 2019, and continuing through March 31, 2020, an audit was conducted into the real estate business activities of Respondent, located at 1095 Hilltop Drive Suite 359, Redding, CA 96003. The Department's auditor examined the business records of Respondent for the period of April 28, 2020, through June 29, 2020. ("audit period").

FIRST CAUSE OF ACTION

(Unlicensed Activities by Respondent and 41 NORTH)

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

41 NORTH does not now and has never been licensed by the Department.

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Respondent willfully caused, suffered, permitted, and/or disregarded the Real Estate Law by engaging in activities requiring a real estate license under the name of 41 NORTH, an unlicensed entity.

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On or about January 5, 2016, Respondent through his fictitious business name, 41 NORTH, entered into a Property Management Agreement ("PMA") with Kelly and Claire P. and Maryann P. Pursuant to the PMA, Respondent and 41 NORTH were given the "exclusive right to rent, lease, operate and manage the following three properties located in Redding, CA: (1) Churn Creek Village, (2) Smoke Tree Apartments; and (3) Kudras Gardens.

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The acts and/or omissions of Respondent, as alleged above in the FIRST CAUSE OF ACTION, constitute grounds for the suspension or revocation of the license and license rights of Respondent under Sections 10130 (unlicensed activity), 10177(d) (willful disregard of real estate law), and 10177(g) (negligence) of the Code.

SECOND CAUSE OF ACTION

(Improper Place of Business)

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

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At all relevant times, Respondent's main office address, as reported to the Department, was 1095 Hilltop Drive, Suite 359, Redding, CA.

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The address 1095 Hilltop Drive, Suite 359, Redding, CA is a mailbox inside a UPS store and not a physical address where Respondent displayed his license and/or held consultations with clients.

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At all relevant times, Respondent's physical place of business was located at 19285
Lew Allen Dr., Redding, CA 96003, an address that Respondent did not report to the Department.

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The acts and/or omissions of Respondent, as alleged above in the SECOND
CAUSE OF ACTION, constitute grounds for the suspension or revocation of the license and
license rights of Respondent under Sections 10162 (improper place of business), 10177(d) (willful
disregard of real estate law), and 10177(g)(negligence) of the Code.

THIRD CAUSE OF ACTION

(Audit Violations as to Respondent)

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Each and every allegation made above in Paragraphs 1 through 15, inclusive, is
incorporated by reference as if fully set forth herein.

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While engaging in the real estate activities described above in Paragraph 3, and
within the audit period, Respondent accepted or received funds in trust ("trust funds") and deposited
or caused the trust funds to be deposited into the following trust account:

Bank Account #1

Bank Name: Wells Fargo Bank
Redding, CA
Account Name: Kutras Gardens Partnership
Account No.: Last 4 Digits: 7320
Signatories: Dale Perryman
Michael Perryman (unlicensed)
Kelly Perryman (unlicensed)
Description: Handling of trust funds from property management activities.

Bank Account #2

Bank Name: Wells Fargo Bank
Redding, CA
Account Name: Kelly Perryman DBA Monaco Apartments
Account No.: 4385
Signatories: Dale Perryman
Kelly Perryman (unlicensed)
Description: Handling of trust funds from property management activities.

In the course of the real estate activities described above in Paragraph 3, and during the audit period, it was discovered as follows:

a. As of March 31, 2020, Bank Account #1 contained unidentified/unaccounted for funds in the amount of \$4,904.80, in violation of Section 10145 of the Code and Section 2831.1 of the Regulations;

b. Respondent failed to properly reconcile Trust Account #1, in violation of Section 10145 of the Code and Section 2831.2 of the Regulations;

c. Bank Account #1 had Kelly Perryman and Michael Perryman, both unlicensed by the Department, as signatories on the account, in violation of Section 10145 of the Code and Section 2834 of the Regulations;

d. Bank Account #2 had Kelly Perryman, an unlicensed individual, as a signatory on the account, in violation of Section 10145 of the Code and Section 2834 of the Regulations; and

e. Bank Account #1 and Bank Account #2 were not designated as trust accounts and were not named in the name of the broker, or the broker's DBA, as trustee, in violation of Section 10145 of the Code and Section 2832 of the Regulations.

The acts and/or omissions of Respondent as alleged above in the THIRD CAUSE OF ACTION constitute grounds for the suspension or revocation of all licenses and license rights of Respondents pursuant to the following provisions:

As to Paragraph 18(a), under Sections 10145, 10177(d), and 10177(g) of the Code, in conjunction with Section 2831.1 of the Regulations;

As to Paragraph 18(b), under Sections 10145, 10177(d), and 10177(g) of the Code, in conjunction with Section 2831.2 of the Regulations;

As to Paragraph 18(c), under Sections 10145, 10177(d), and 10177(g) of the Code, in conjunction with Section 2834 of the Regulations;

1 As to Paragraph 18(d), under Sections 10145, 10177(d), and 10177(g) of the Code,
2 in conjunction with Section 2834 of the Regulations; and

3 As to Paragraph 18(e), under Sections 10145, 10177(d), and 10177(g) of the Code,
4 in conjunction with Section 2832 of the Regulations.

5 **FOURTH CAUSE OF ACTION**

6 (Breach of Fiduciary Duties)

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

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11 At all relevant times herein, while acting as real estate agents, Respondent owed the
12 principal(s) fiduciary duties, including, but not limited to the following: the duty of reasonable care
13 and skill; the duty of good faith; the duty of loyalty; and the duty of diligence.

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15 Respondent breached his fiduciary duties by engaging in the acts and/or omissions
16 described above and/or through the violation of the Real Estate Law.

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18 The acts and/or omissions of Respondent as alleged above in the FOURTH CAUSE
19 OF ACTION constitute grounds for the suspension or revocation of the license and license rights of
20 Respondent under Sections 10177(d) and 10177(g) of the Code.

21 **COST RECOVERY**

22 24

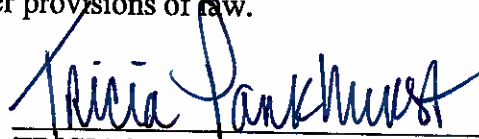
23 The acts and/or omissions of Respondent as alleged above entitle the Department to
24 reimbursement of the costs of its audit pursuant to Section 10148(b) (audit costs for trust fund
25 handling violation) of the Code.

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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 First Amended 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 PARKHURST
Supervising Special Investigator

Dated at Sacramento, California,
this 24th day of January, 2021.

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.