

1 prospective sellers or purchasers of, solicited or obtained listings of, or negotiated the purchase,
2 sale or exchange of real property or a business opportunity, in expectation of compensation.

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4 On or about September 23, 2019, Belwood Investments LLC, by and through
5 Realty One Group Complete and its real estate salesperson, Respondent, entered into a
6 Residential Purchase Agreement for the real property known as 9363 Ottomon Way,
7 Orangevale, CA 95662 (Subject Property) with Timothy J. (Seller).

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9 On or about September 27, 2019, Lorraine M. (Seller's Agent) provided to
10 Respondent the Agent Visual Inspection Disclosure (AVID). The AVID indicated Seller's Agent
11 had inspected the Subject Property and stated the following: "roof – unable to inspect – has had
12 past leak, evidenced by water stain on ceiling near fireplace insert – repaired by owner apx 3
13 years ago. Dryrot noted around eaves/faccia."

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15 On or about September 27, 2019, Seller's Agent provided to Respondent the Real
16 Estate Transfer Disclosure Statement (TDS). The TDS indicated Seller was disclosing
17 information concerning the condition of the Subject Property. In response to Question A of the
18 TDS, to wit "ARE THERE, TO THE BEST OF YOUR (SELLER'S) KNOWLEDGE, ANY OF
19 THE ABOVE THAT ARE NOT IN OPERATING CONDITION", Seller answered yes. Seller
20 further explained, "central heat and air. Air cond working – heating element is not working.
21 Inspection of unit evidenced crack in heat exchanger – unsafe to use per inspector until repaired.
22 duct work required/recommended. Roof over addition in need of repair / entire roof replace/or
23 repair..." In response to Question B of the TDS, to wit "ARE YOU (SELLER) AWARE OF
24 ANY SIGNIFICANT DEFECTS/MALFUCTIONS IN ANY OF THE FOLLOWING", Seller
25 answered yes and check marked the box next to "Roof(s)". Seller further explained, "roof in need
26 of repair/replace, past roof leak in 2016 – repaired, no leaks since repair,..."

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2 On or about September 27, 2019, Seller’s Agent provided to Respondent the
3 Seller Property Questionnaire (SPQ). The SPQ indicated Seller was providing additional
4 information about known material or significant items affecting the value or desirability of the
5 property. In response to Question C of the SPQ, to wit “ARE YOU (SELLER) AWARE OF
6 DEFECTS IN ANY OF THE FOLLOWING, (INCLUDING PAST DEFECTS THAT HAVE
7 BEEN REPAIRED): HEATING, AIR CONDITIONING, ... ROOF...”, Seller answered yes.
8 Seller further explained, “central heat and air. central air works – heating element not working
9 correctly. Seller had unit inspected in 2018, air conditioning works, however, heat not working
10 correctly. inspector noted crack in heat exchanger, noted duct work required. Heating element not
11 safe to use until further inspection or repaired.” In response to Question E of the SPQ, to wit
12 “ARE YOU (SELLER) AWARE OF WATER INTRUSION INTO ANY PART OF ANY
13 PHYSICAL STRUCTURE ON THE PROPERTY; LEAKS FROM OR IN ANY APPLIANCE,
14 PIPE, SLAB OR ROOF...” Seller answered yes. Seller further explained, “past roof leak –
15 repaired in 2016 – no leaks since repair – see AVID.”

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17 On or about October 10, 2019, Respondent acknowledged and signed the AVID
18 and TDS.

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20 On or about October 15, 2019, escrow closed on the Subject Property.

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22 On or about January 23, 2020, Belwood Investments LLC entered into a
23 Residential Listing Agreement with Realty One Group Complete and Respondent to list and sell
24 Subject Property.

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26 On or about January 25, 2020, Devin C.S. (Buyer), entered into a Residential
27 Purchase Agreement for Subject Property with Belwood Investments LLC.

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2 Subsequently, Respondent provided to Buyer the AVID. The AVID indicated
3 Respondent had inspected the Subject Property and stated the following with regards to other
4 observed or known conditions: "Agent is aware the property is flip. Agent recommends the buyer
5 have the home inspected by a professional prior to close of escrow."

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7 At no time did Respondent disclose to Buyer the material facts and information
8 obtained and disclosed from the previous owner, as described in Paragraphs 4, 5, and 6, during
9 the 2019 purchase of Subject Property.

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11 On or about February 15, 2020, escrow closed on the Subject Property.

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13 Respondent's representations, actions and/or omissions, as identified in
14 Paragraphs 11 and 12, above, were substantially fraudulent, misleading, dishonest and deceitful,
15 and were known by Respondent to be substantially fraudulent, misleading, dishonest and
16 deceitful during the subject transaction.

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18 By engaging in the representations, acts and/or omissions identified in Paragraphs
19 11 and 12, above, Respondent breached the duties owed to Buyer, a third party, including, but
20 not limited to: duty to act honestly and fairly, duty of care, duty to give full information, duty to
21 make truthful representations, and duty of disclosure.

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23 The above acts and/or omissions described above constitute violations of Sections
24 10176 (a) (Substantial Misrepresentation), 10176 (i) (Fraud or Dishonest Dealing), 10177 (d)
25 (Willful Disregard of Real Estate Laws), 10177 (g) (Negligence/Incompetence of Licensee) and
26 10177 (j) (Fraud or Dishonest Dealing) of the Code and constitute grounds for disciplinary action
27 under the provisions of Sections of the Code.

1 COST RECOVERY

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

7 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
8 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
9 action against all licenses and license rights of Respondent under the Code, for the reasonable
10 cost of investigation and agency attorney's fees in this matter, and for such other and further
11 relief as may be proper under other provisions of law.

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13  (for T.P.)
14 TRICIA D. PARKHURST
15 Supervising Special Investigator

16 Dated at Sacramento, California,
17 this 8th day of June, 2022.

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19 DISCOVERY DEMAND

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