

AUG 24 2022

DEPARTMENT OF REAL ESTATE

By
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8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 MEGAN LOUISE PRICE,) NO. H-7096 SAC
13 Respondent.) FIRST AMENDED ACCUSATION
14)

15 The Complainant, TRICIA D. PARKHURST, acting in her official capacity as a
16 Supervising Special Investigator of the State of California, for cause of Accusation
17 against MEGAN LOUISE PRICE (Respondent), is informed and alleges as follows:

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19 At all times herein mentioned, Respondent was and is presently licensed and/or
20 has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and
21 Professions Code (the Code) by the Department of Real Estate (the Department). Respondent
22 was originally licensed as a salesperson. Effective January 11, 2022, Respondent's salesperson
23 license was terminated. Effective January 11, 2022, Respondent was issued a real estate broker
24 license.

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26 At all times herein mentioned, Respondent engaged in the business of, acted in the
27 capacity of, advertised, or assumed to act as a real estate broker within the State of California,

1 within the meaning of Section 10131(a) of the Code, including the operation and conduct of a
2 residential resale brokerage wherein Respondent bought, sold or offered to buy or sell, solicited
3 prospective sellers or purchasers of, solicited or obtained listings of, or negotiated the purchase,
4 sale or exchange of real property or a business opportunity, in expectation of compensation.

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

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

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17 On or about September 27, 2019, Seller's Agent provided to Respondent the Real
18 Estate Transfer Disclosure Statement (TDS). The TDS indicated Seller was disclosing
19 information concerning the condition of the Subject Property. In response to Question A of the
20 TDS, to wit "ARE THERE, TO THE BEST OF YOUR (SELLER'S) KNOWLEDGE, ANY OF
21 THE ABOVE THAT ARE NOT IN OPERATING CONDITION", Seller answered yes. Seller
22 further explained, "central heat and air. Air cond working – heating element is not working.
23 Inspection of unit evidenced crack in heat exchanger – unsafe to use per inspector until repaired.
24 duct work required/recommended. Roof over addition in need of repair / entire roof replace/or
25 repair..." In response to Question B of the TDS, to wit "ARE YOU (SELLER) AWARE OF
26 ANY SIGNIFICANT DEFECTS/MALFUCTIONS IN ANY OF THE FOLLOWING", Seller

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1 answered yes and check marked the box next to “Roof(s)”. Seller further explained, “roof in need
2 of repair/replace, past roof leak in 2016 – repaired, no leaks since repair,…”

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

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19 On or about October 10, 2019, Respondent acknowledged and signed the AVID
20 and TDS.

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

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

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

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

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

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

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

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

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

COST RECOVERY

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 Respondent under the Code, for the reasonable cost of investigation and agency attorney's fees in this matter, 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 15th day of August, 2022.

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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.