

1 TRULY SUGHRUE, Counsel  
2 State Bar No. 223266  
3 Department of Real Estate  
4 P.O. Box 137007  
5 Sacramento, CA 95813-7007

6 Telephone: (916) 576-8700  
7 (916) 576-7847 (Direct)  
8  
9 Fax: (916) 263-3767

**FILED**

APR 19 2022

DEPARTMENT OF REAL ESTATE  
By B. Nicholas

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\*\*\*

In the Matter of the Accusation of )  
FRANK COOK REALTY INC.; )  
and )  
FRANK L. COOK, as designated officer of )  
Frank Cook Realty Inc., )  
Respondents. )

No. H-7123 SAC

ACCUSATION

The Complainant, TRICIA D. PARKHURST, a Supervising Special Investigator of the State of California, for cause of Accusation against FRANK COOK REALTY INC. and FRANK L. COOK (collectively referred to as "Respondents"), is informed and alleges as follows:

1

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

PRELIMINARY ALLEGATIONS

2

Respondents are presently licensed and/or have license rights under the Real Estate Law, Part 1 of Division 4 of the Business and Professions Code ("Code").

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

At all times mentioned, Respondent FRANK COOK REALTY INC. (FCRI) was and is licensed by the Department as a real estate broker, License ID 00618471. FCRI was licensed by the Department as a real estate corporation on or about February 3, 1978. Unless renewed, FRCI corporate broker license will expire April 13, 2022.

At all times mentioned, FRANK L. COOK (COOK) was licensed by the Department as the designated broker officer of FCRI. As said designated officer-broker, COOK was responsible pursuant to Section 10159.2 of the Code for the supervision of the activities of the officers, agents, real estate licensees, and employees of FCRI for which a license is required.

At all times mentioned, Frederick James Bonetti III (Bonetti), real estate broker License ID 00999899, was licensed as an additional officer of FCRI.

At all times mentioned, COOK was 100 percent shareholder and President of FCRI.

At all times mentioned, Respondent COOK was licensed by the Department as the designated officer of FCRI. Unless renewed COOK's designated officer license expires April 13, 2022.

COOK was licensed as an individual real estate broker, License ID 00479391, from October 24, 1975 to September 23, 2018.

Whenever reference is made in an allegation in this Accusation to an act or omission of FCRI, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with FCRI committed such acts or omissions while engaged in furtherance of the business or operation of FCRI and while acting within the course and scope of their corporate authority and employment.

///  
///



1 The trust funds accepted or received by Respondents were deposited or caused to  
2 be deposited by Respondents into accounts which were maintained by Respondents for the  
3 handling of trust funds, and thereafter from time-to-time Respondents made disbursements of  
4 said trust funds, identified as follows:

TRUST ACCOUNT # 1	
Bank Name and Location:	Bank of America Sacramento, CA
Account No.:	XXXXXXXXXX3957
Account Name:	Frank Cook Realty Inc. Owners Trust Account
Signatories:	COOK Bonetti Britany Naucke
Purpose:	Trust Account #1 was used for the handling of trust funds from property management activities.

9

18 In the course of the property management activities described in Paragraph 7, and  
19 during the audit examination period described in Paragraph 6, Respondents violated the Code  
20 and Regulations described below:

21 Trust Account Accountability and Balances

22 10

23 Based on the records provided during the audit, a bank reconciliation for Trust  
24 Account #1 was prepared for as of December 31, 2020. The adjusted bank balance of Trust  
25 Account #1 as of December 31, 2020, was compared to the beneficiaries' accountability for Trust  
26 Account #1 as of December 31, 2020.

27 ///

1	Adjusted Bank Balance	\$294,403.32
2	Accountability	<u>\$309,360.92</u>
3	Trust Fund Shortage	<u>(\$14,959.60)</u>

4 A shortage of \$14,959.60 was found in Trust Account #1 as of December 31,  
5 2020, which was caused by negative balances of \$1,725 and unidentified shortage of \$13,234.60.

6 Respondents provided no evidence that the owners of the trust funds had given  
7 their written consent to allow Respondents to reduce the balance of the funds in Trust Account  
8 #1 to an amount less than the existing aggregate trust fund liabilities, in violation of Section  
9 10145 of the Code and Section 2832.1 of Title 10, Chapter 6, California Code of Regulations  
10 (Regulations).

11 FAILURE TO SUPERVISE

12 11

13 Respondent COOK failed to exercise reasonable supervision over the acts of  
14 FCRI in such a manner as to allow the acts and events described above to occur.

15 12

16 The acts and/or omissions of COOK as described in Paragraph 11, constitutes  
17 failure on the part of COOK, as designated broker-officer for FCRI, to exercise reasonable  
18 supervision and control over the licensed activities of FCRI as required by Section 10159.2 of the  
19 Code and Section 2725 of the Regulations.

20 GROUND FOR DISCIPLINE

21 13

22 The acts and/or omissions of Respondents as alleged in Paragraph 10 constitutes  
23 grounds for the suspension or revocation of all licenses and license rights of Respondents, under  
24 Sections 10177(d) and/or 10177(g) of the Code in conjunction with Section 10145 of the Code  
25 and Section 2832.1 of the Regulations.

26 ///

27 ///

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

14

The acts and/or omissions of COOK as alleged in Paragraphs 11 and 12 constitute grounds for the suspension or revocation of all licenses and license rights of COOK under Sections 10177(g) and/or 10177(h) of the Code, and Section 10159.2 of the Code in conjunction with Section 10177(d) of the Code.

COST RECOVERY

15

The acts and/or omissions of Respondents as alleged above, entitle the Department to reimbursement of the costs of its audit pursuant to Section 10148(b) of the Code.

16

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 cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under the provisions of law.

  
TRICIA D. PARKHURST  
Supervising Special Investigator

Dated at Sacramento, California,  
this 11<sup>th</sup> day of April, 2022

DISCOVERY DEMAND

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

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.