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FILED

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DEPARTMENT OF REAL ESTATE
By B. A. [Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of:	)	NO. H-7187 SAC
	)	
PPM INVESTMENTS, INC.	)	<u>ACCUSATION</u>
HENRY JOHN HAMMACHER, and	)	
DARUS KAYN TRUTNA	)	
	)	
Respondents.	)	

The Complainant, TRICIA D. PARKHURST, acting in her official capacity as a Supervising Special Investigator of the State of California, for cause of Accusation against PPM INVESTMENTS, INC. ("PPM"), HENRY JOHN HAMMACHER ("HAMMACHER"), and DARUS KAYN TRUTNA ("TRUTNA") (collectively referred to as "Respondents"), is informed and alleges as follows:

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At all times herein mentioned, Respondent PPM was and is presently licensed by the California Department of Real Estate ("the Department") under Part 1 of Division 4 of the Business and Professions Code ("the Real Estate Law") as a restricted corporate real estate broker.

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HAMMACHER is presently licensed and/or has license by the Department under the Real Estate Law as a real estate broker, and as the designated broker officer of PPM. As said designated officer-broker, HAMMACHER was responsible, pursuant to Section 10159.2 of the Business and Professions Code ("the Code"), for the supervision of the activities of the officers, agents, real estate licensees and employees of PPM for which a license is required.

At all times herein mentioned, TRUTNA was and is the President and Secretary of PPM. TRUTNA is presently licensed by the Department under the Real Estate Law as a restricted real estate salesperson.

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

At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as a corporate real estate broker within the State of California on behalf of others, for compensation or in expectation of compensation 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, leased or rented or offered to lease or rent, or placed for rent, or solicited listings of places for rent, or solicited for prospective tenant, or negotiated for sale, purchase or exchanges of leases on real property, or on a business opportunity, or collected rent from real property, or improvements thereon, or from business opportunities.

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Beginning on or about February 14, 2022, and continuing until on or about April 18, 2022, the Department conducted an audit of the books and records related to the real estate activities of Respondents at Respondents' business office located at 710 E Street, Suite 205, Eureka, CA 95501. The auditor examined records for the period of January 15, 2021, to December 31, 2021 ("audit period").

While acting as real estate brokers as described above in paragraph 5, and within the audit period, Respondents accepted or received funds in trust ("trust funds") and deposited or caused the trust funds to be deposited into bank accounts maintained by Respondents, and thereafter, from time-to-time, Respondents made disbursements of said trust funds, identified as follows:

Trust Account #1

Bank Name: Enterprise Bank & Trust

Account No.: XXXX6226

Account Name: PPM Investments Inc.

Signatories: Henry J. Hammacher (REB)

Darus K. Trutna (RRES)

Sheila Bearden (RES)

Purpose: Used to hold rents, security deposits, and any property management related fees. Disbursements were made for owner distributions and maintenance.

From time-to-time, Respondents made collections to, and disbursement from, said accounts.

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The acts and/or omissions of Respondents, as set forth above in Paragraphs 8 through 11, were substantially fraudulent, misleading, dishonest, and deceitful, and were known by Respondents to be substantially fraudulent, misleading, dishonest, and deceitful during the transaction of the Subject Property.

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The acts and/or omissions of Respondents, as alleged above in Paragraphs 8 through 12, are grounds for the revocation or suspension of Respondents' real estate licenses or license rights under Sections 10176(a) (substantial misrepresentation), 10176(c) (continued and flagrant course of misrepresentation), 10176(g) (secret or undisclosed compensation), 10176(i) (fraud or dishonest dealing), 10177(j) (fraud or dishonest dealing) and/or 10177(g) (negligence/incompetence) of the Code.

COUNT TWO

FAILURE TO SUPERVISE

(As to Respondent HAMMACHER)

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Each and every allegation in Paragraphs 1 through 13, inclusive, above, is incorporated by this reference as if fully set forth herein.

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HAMMACHER, as the designated officer of PPM, was required to exercise reasonable supervision and control over the activities of PPM, its employees, and the real estate activities being conducted by PPM.

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HAMMACHER failed to exercise reasonable supervision over the acts and/or omissions of PPM and its employees, in such a manner as to allow the acts and/or omissions as described above in Paragraphs 8 through 13 to occur, which constitutes cause for the suspension or

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1 revocation of the license(s) and license rights of HAMMACHER under Sections 10177(d) and/or
2 10177(g), 10177(h), and 10159.2 of the Code, in conjunction with Section 2725 of the Regulations.

3 **MATTERS IN AGGRAVATIONS**

4 **PRIOR DISCIPLINARY ACTION**

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6 Each and every allegation in Paragraphs 1 through 16, inclusive, above, is
7 incorporated by this reference as if fully set forth herein

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9 Effective January 15, 2021, in Department Case No. H-6804 SAC, the
10 Commissioner issued an Order, pursuant to a Stipulation and Agreement, revoking the real estate
11 broker license of PPM and granting PPM the right to apply for a restricted real estate broker license,
12 among other terms and conditions, for violating Sections 10145, 10145(g), 10159.2, 10161.8,
13 10176(a), 10176(i), 10177(d), 10177(g), and 10177(j) of the Code and Sections 2731, 2831.1,
14 2831.2, and 2832.1 of Title 10, California Code of Regulations ("the Regulations"). The
15 Commissioner's Order in Department Case No. H-6804 SAC also revoked the real estate broker
16 license of TRUTNA and granted TRUTNA the right to apply for a restricted real estate salesperson
17 license, among other terms and conditions, for violating Sections 10145, 10145(g), 10159.2,
18 10159.5, 10161.8, 10176(a), 10176(i), 10177(d), 10177(g), 10177(h), and 10177(j) of the Code and
19 Sections 2725, 2731, 2831.1, 2831.2, and 2832.1 of the Regulations.

20 **COST RECOVERY**

21 **Audit Costs**

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23 The acts and/or omissions of Respondents, as alleged above in the First and Second
24 Causes of Action, entitle the Department to reimbursement of the costs of its audit pursuant to
25 Section 10148(b) of the Code.

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