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**FILED**  
MAY 09 2024  
DEPARTMENT OF REAL ESTATE  
By J. Taggart

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of:

ARMON ISALAH BATISTE,

Respondent.

No. H-7316 SAC

ACCUSATION

The Complainant, HEATHER NISHIMURA, in her official capacity as a  
Supervising Special Investigator for the State of California, Department of Real Estate  
("Department") brings this Accusation against Respondent ARMON ISALAH BATISTE  
("Respondent") and is informed and alleges as follows:

GENERAL ALLEGATIONS

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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. 01791959.

2

Respondent also holds a Mortgage Loan Originator ("MLO") license  
endorsement from the Department, NMLS No. 257105, as well as company MLO license  
endorsement, License No. 2156431.

On or about October 11, 2022, the Department received a Consumer Complaint from Lyndsay H., a Professional Standards and Administration Manager for the Sacramento Association of Realtors ("SAR"). The Complaint alleged that Respondent was subject to a SAR hearing during which it was discovered that Respondent committed loan fraud by agreeing to provide funds to his clients, the buyers, outside of escrow and failing to disclose said payment of funds to the lender.

#### LICENSED ACTIVITY

At all relevant times, Respondent engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate licensee within the State of California within the meaning of Section 10131(a) of the Code including, for compensation or in expectation of compensation, selling or offering to sell, buying or offering to buy, soliciting prospective sellers or buyers, or negotiating the purchase, sale or exchange of real property or a business opportunity.

#### FIRST CAUSE OF ACTION

**(Misrepresentation, Fraud and/or Dishonest Dealings, and/or Negligence as to Summit)**

Each and every allegation made in Paragraphs 1 through 4, inclusive, is incorporated by reference as if fully set forth herein.

On or about August 31, 2021, Respondent entered into a Residential Listing Agreement ("RLA") with Lisa M. for the sale of her property located at 3410 Shady Lane, Sacramento, CA 95821 ("Shady Lane Property").

On or about December 20, 2021, Marzi H. and Brady B. ("Buyers") submitted a Residential Purchase Agreement ("RPA") for the purchase of the Shady Lane Property. The

1 Buyers were also represented in the transaction by Respondent, who was acting as a Dual Agent  
2 on behalf of both Seller and Buyers.

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4 On or about December 28, 2021, after a series of offers and counteroffers, the  
5 parties reached an agreement for the sale and purchase of the Shady Lane Property and opened  
6 escrow with Orange Coast Title Company.

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8 Pursuant to RPA Addendum #4, Respondent agreed to provide the Buyers with  
9 \$6,130.00 in credits at close of escrow to be applied towards the Buyers recurring and non-  
10 recurring closing costs.

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12 On or about January 28, 2022, escrow closed on the Shady Lane Property and  
13 funds were dispersed. Tammy H., the Escrow Officer for Orange Coast Title Company,  
14 provided the final settlement statement, which indicated that Respondent only provided Buyers  
15 with a credit of \$3,609.33.

16 11

17 The lender, Summit Funding, Inc. ("Summit"), would not permit Buyers to  
18 receive credits more than \$3,609.33. Respondent subsequently reached an agreement with the  
19 Buyers that Respondent would pay Buyers the remaining amount of approximately \$2,520.00  
20 outside of escrow and after the transaction closed.

21 12

22 Summit strictly prohibited cash payments outside of escrow and had no  
23 knowledge that Respondent paid Buyers a total of approximately \$2,520.00 outside of escrow.  
24 According to Summit, "all funds must be accounted for and shown on the final settlement  
25 disclosure."

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The Final Closing Statement for the Shady Lane Property, which shows a disbursement date of January 28, 2022, does not show Respondent's payment of approximately \$2,520.00 to the Buyers.

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Summit would not have funded Buyer's loan had Summit known about the \$2,520.00 payment from Respondent.

## SECOND CAUSE OF ACTION

### **(Dishonest Dealings and/or Negligence as to Buyers)**

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Each and every allegation made in Paragraphs 1 through 14, inclusive, is incorporated by reference as if fully set forth herein.

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On or about January 28, 2022, escrow closed on the Shady Lane Property. During the subsequent three months after the transaction closed, Buyers attempted to reach Respondent by phone, email, and text regarding Respondent's agreement to pay \$2,520.00. Although Respondent initially made Buyers an offer to pay, Respondent eventually ceased all communications with the Buyers.

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On or about March 22, 2022, Buyers filed a Disciplinary Complaint against Respondent with the Sacramento Association of Realtors because of Respondent's failure to pay Buyers the agreed-upon amount of approximately \$2,520.00.

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On or about May 13, 2022, SAR notified Respondent that a disciplinary complaint was received against him alleging violations of Article 1 of the National Association of Realtors Code of Ethics, which reads:

*“When representing a buyer, seller, landlord, tenant, or other client as an agent, REALTORS® pledge themselves to protect and promote the interests of their client. This obligation to the client is primary, but it does not relieve REALTORS® of their obligation to treat all parties honestly. When serving a buyer, seller, landlord, tenant or other party in a non-agency capacity, REALTORS® remain obligated to treat all parties honestly.”*

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On or about August 17, 2022, SAR held a hearing (File No. E22-02) seeking disciplinary action against Respondent for his failure to pay Buyers. Respondent failed to appear at the hearing and was subsequently found in violation of Article 1 of the NAR Code of Ethics. Respondent was ordered to pay a fine of \$10,000.00.

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On or about September 16, 2022, Respondent paid Buyers a total of \$2,521.00 via Venmo.

### THIRD CAUSE OF ACTION

**(Breach of Fiduciary Duties)**

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Each and every allegation made above in Paragraphs 1 through 20, inclusive, is incorporated by this reference as if fully set forth herein.

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At all relevant times, Respondent served as a Dual Agent in the Shady Lane Property transaction. As a Dual Agent, representing both the Buyers and the Seller, Respondent owed his clients those fiduciary duties that are inherit in a position of trust as created by the agent/principal relationship and as provided for on the Disclosure Regarding Real Estate Agency Relationship. Such duties include, but are not limited to, the duty of reasonable care and skill, the

1 duty of honesty, the duty of good faith and fair dealings, the duty of loyalty, and a duty of  
2 diligence.

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4 Respondent breached his fiduciary duties by engaging in the acts and/or  
5 omissions described above in the FIRST and SECOND CAUSES OF ACTION.

6 FOURTH CAUSE OF ACTION

7 **(Failure to Maintain a Proper Main Office Address)**

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9 Each and every allegation made above in Paragraphs 1 through 23, inclusive, is  
10 incorporated by this reference as if fully set forth herein.

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12 On or about December 6, 2023, the Department visited Respondent's main office  
13 location and determined the office was at a UPS Store located at 1500 West El Camino Ave.,  
14 Sacramento, CA.

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16 From on or about May 3, 2021, to December 5, 2023, Respondent's main office  
17 address was registered with the Department at the location identified above in Paragraph 25.

18 CAUSE FOR DISCIPLINE

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20 Each and every allegation made above in Paragraphs 1 through 26, inclusive, is  
21 incorporated by this reference as if fully set forth herein.

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23 The acts and/or omissions as described above in the FIRST CAUSE OF  
24 ACTION constitute grounds for the suspension or revocation of the license and license rights of  
25 Respondent pursuant to Sections 10176(a), 10176(i), 10177(d), 10177(g) and/or 10177(j) of the  
26 Code.

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The acts and/or omissions as described above in the SECOND CAUSE OF ACTION constitute further grounds for the suspension or revocation of the license and license rights of Respondents pursuant to Sections 10177(d) and 10177(g) of the Code.

The acts and/or omissions described above in the THIRD CAUSE OF ACTION constitute grounds for the suspension or revocation of the license and license rights of Respondents pursuant to Sections 10177(d) and 10177(g) of the Code.

The acts and/or omissions described above in the FOURTH CAUSE OF ACTION constitute grounds for the suspension or revocation of the license and license rights of Respondents pursuant to Sections 10162, 10177(d) and 10177(g) 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.

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1 WHEREFORE, Complainant prays that a hearing be conducted on the  
2 allegations of this Accusation and that upon proof thereof, a decision be rendered revoking all  
3 licenses and license rights of Respondent under the Real Estate Law (Part 1 of Division 4 of the  
4 Business and Professions Code), for the cost of investigation and enforcement of this matter as  
5 permitted by law, and for such other and further relief as may be proper under other provisions  
6 of law.

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10 HEATHER NISHIMURA

11 Supervising Special Investigator

12 Dated at Sacramento, California,  
13 this 8<sup>th</sup> day of May, 2024.  
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15 DISCOVERY DEMAND

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