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FILED

MAY 08 2024

DEPARTMENT OF REAL ESTATE
By B. Nicholas

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of:)
12) No. H-7323 SAC
13 GRANITE CREEK REALTY, INC and,)
14 JOSHUA TYLER BLACKWOOD,)
15 Respondents.) ACCUSATION

16 The Complainant, HEATHER NISHIMURA, acting in her official capacity as a
17 Supervising Special Investigator of the State of California, for this Accusation against
18 GRANITE CREEK REALTY, INC (“GCR”) and JOSHUA TYLER BLACKWOOD
19 (“BLACKWOOD”) (collectively “Respondents”), is informed and alleges as follows:

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21 At all times mentioned herein, GCR was and is presently licensed by the
22 Department of Real Estate (“Department”), under the California Business and Professions Code
23 (“Code”) as a corporate real estate broker, License No. 01949429.

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25 At all times mentioned herein, BLACKWOOD was and is presently licensed by
26 the Department as a real estate broker, License No. 01801610.

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At all times mentioned herein, BLACKWOOD was the designated broker-officer of GCR. As the designated broker-officer, BLACKWOOD was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of officers, agents, real estate licensees and employees of GCR for which a real estate license is required to ensure the compliance of the corporation with the Real Estate law and the Regulations.

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At all times mentioned, Respondents engaged in the business within the meaning of Section 10131(a) of the Code, including the operation and conduct of a residential resale brokerage wherein Respondents bought, sold, or offered to buy or sell, solicited, or obtained listings of, and/or negotiated the purchase, sale or exchange of real property or business opportunities, on behalf of others, all for or in expectation of compensation.

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Whenever acts referred to below are attributed to Respondents, those acts are alleged to have been done by Respondents, acting by themselves, or by and/or through one or more known or unknown agents, associates, and/or co-conspirators.

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On or about August 13, 2021, a purchase contract was executed for the sale of the property located at 5925 Arcadia Avenue, Loomis, CA 95650 ("Arcadia Avenue"). BLACKWOOD represented Shankar N., the buyer. The buyer side of the purchase contract was later assigned to the Dinakar N. Revocable Living Trust ("Dinakar Trust").

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On or about August 18, 2021, BLACKWOOD received a Real Estate Transfer Disclosure Statement ("TDS") for the sale of Arcadia Avenue to the Dinakar Trust. The sellers checked "Yes" in response to Question 8, Section C, of the TDS which revealed that Arcadia Avenue had flooding, drainage, or grading problems.

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On or about August 31, 2021, escrow closed and title to Arcadia Avenue was transferred to the Dinakar Trust.

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On or about March 3, 2022, BLACKWOOD and the Trustee of the Dinakar Trust executed a Residential Listing Agreement authorizing GCR and BLACKWOOD to offer Arcadia Avenue for sale.

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On or about March 7, 2022, the Trustee of the Dinakar Trust accepted an offer from Robert S. to purchase Arcadia Avenue. BLACKWOOD represented both the Dinakar Trust and Robert S. as a dual agent.

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At various times prior to the close of escrow, a sign labeled "SINK HOLE" was placed on the street directly in front of Arcadia Avenue. At no time prior to the close of escrow did Robert S. see the sign. BLACKWOOD had knowledge of the of the sign prior to the close of escrow.

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On or about March 21, 2022, the Trustee of the Dinakar Trust, through BLACKWOOD, provided a TDS to Robert S. that did not disclose flooding, drainage, or grading problems. The TDS provided check boxes labeled as "Yes" or "No" to answer a series of questions in Section C on page 2. Section C asks, "Are you (Seller) aware of any of the following?" The following questions were left blank without a check in either yes or no:

- 8) "Flooding, drainage or grading problems"
- 9) "Major damage to the property or any of the structures from fire, earthquake, floods, or landslides"
- 10) "Any zoning violations, nonconforming uses, violations or 'setback' requirements"

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11) "Neighborhood noise problems or other nuisances"

BLACKWOOD failed to ensure that a complete TDS was provided to Robert S. as required by Section 1102 et seq. of the Civil Code and section 10177.5 of the Code.

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On or about March 24, 2022, BLACKWOOD provided an Agent Visual Inspection Disclosure to Robert S. as required by Section 2079 et seq. of the Civil Code. Respondent failed to disclose the presence of the sink hole issue affecting the street directly in front of Arcadia Avenue.

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On or about March 31, 2022, escrow closed and title to Arcadia Avenue was transferred Robert S.

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Respondents breached their fiduciary duties to Robert S. by failing to ensure that the flooding issue/sink hole was disclosed prior to the close of escrow.

GROUNDS FOR DISCIPLINE

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The acts and/or omissions as described above in Paragraphs 1 through 15, above, constitute grounds for the suspension or revocation of the license and license rights of the Respondents pursuant to Sections 10176(a) (making any substantial misrepresentation), 10177(d) (willful disregard or violation of real estate law), 10176(i) (fraud or dishonest dealing), 10176.5 (willfully fail to provide transfer disclosure statement), 10177(g) (negligence or incompetence), and/or 10177(j) (fraud or dishonest dealing) of the Code.


COST RECOVERY

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The Department will seek to recover the costs of the investigation and prosecution of this case pursuant to Section 10106 of the Code which provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department, the Commissioner

1 may request the administrative law judge to direct a licensee found to have committed a violation
2 of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement
3 of the case.

4 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
5 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
6 action against all licenses and license rights of Respondent under the Real Estate Law, for the
7 cost of investigation and enforcement as permitted by law, and for such other and further relief
8 as may be proper under other provisions of law.

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11 HEATHER NISHIMURA
12 Supervising Special Investigator

13 Dated at Sacramento, California,
14 this 30th day of April, 2024.

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17 DISCOVERY DEMAND

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