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DEPARTMENT OF REAL ESTATE
By J. Taggart

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of

PROFESSIONAL PROPERTY
MANAGEMENT SERVICES,

and

DEBORAH LEAH HENNING, individually
and as designated officer of Professional
Property Management Services,

Respondents.

No. H-7429 SAC

ACCUSATION

The Complainant, HEATHER NISHIMURA, a Supervising Special
Investigator of the State of California, for cause of Accusation against
PROFESSIONAL PROPERTY MANAGEMENT SERVICES and DEBORAH LEAH
HENNING (collectively referred to as "Respondents"), is informed and alleges as
follows:

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The Complainant, HEATHER NISHIMURA, a Supervising Special Investigator
of the State of California, makes this Accusation in her official capacity.

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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").

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At all times mentioned, Respondent PROFESSIONAL PROPERTY MANAGEMENT SERVICES ("PPMS") was and is licensed by the Department as a real estate broker corporation, License ID 01960901. Unless renewed, PPMS's restricted corporate broker license will expire August 30, 2027.

At all times mentioned, DEBORAH LEAH HENNING ("HENNING") was and is licensed by the Department as the designated officer-broker of PPMS. As said designated officer-broker, HENNING was and is 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 PPMS for which a license is required. At all times mentioned, HENNING was and is the Chief Executive Officer, President and 100 percent shareholder of PPMS.

At all times mentioned, Respondent HENNING was and is licensed by the Department individually as a real estate broker, License ID 00688242. Unless renewed, HENNING's restricted broker license will expire August 30, 2027.

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

AUDIT SC-23-0071

On or about August 29, 2024, the Department completed its audit (SC-23-0071) of the books and records of PPMS's property management activities described in Paragraph 7. The auditor herein examined the records for the period of February 1, 2023, through January 31, 2024 ("audit period").

At all times mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker within the State of California within the meaning of Sections 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 or in expectation of compensation, Respondents leased or rented and offered to lease or rent, and solicited for prospective tenants of real property or improvements thereon, and collected rents from real property or improvements thereon.

While acting as a real estate broker as described in Paragraph 7, Respondents accepted or received funds in trust ("trust funds") from or on behalf of owners and tenants in connection with the leasing, renting, and collection of rents on real property or improvements thereon, as alleged herein, and thereafter from time-to-time made disbursements of said trust funds.

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

TRUST ACCOUNT # 1	
Bank Name and Location:	Central Valley Community Bank 7100 N. Financial Drive, Suite 101, Fresno, CA 93720
Account No.:	XXXX8665
Account Name:	Professional Property Management Service Trustee Trust Account

Purpose:	Trust Account #1 was used for the deposits and disbursements related to properties under management. Deposits consisted of rents and any property management related fees. Disbursements consisted of repairs and maintenance, management fees and owner proceeds.
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TRUST ACCOUNT # 2	
Bank Name and Location:	Central Valley Community Bank 7100 N. Financial Drive, Suite 101, Fresno, CA 93720
Account No.:	XXXX5836
Account Name:	Professional Property Management Services Trustee Trust Account
Purpose:	Trust Account #2 was used for the collection and disbursement of security deposits related to properties under management.

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In the course of the property management activities described in Paragraph 7, and during the audit period described in Paragraph 6, Respondents violated the Code and various sections of the California Code of Regulations, Title 10, Chapter 6 ("Regulations") described below:

Trust Account Accountability and Balances

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Trust Account #1

Based on the records provided during the audit, a bank reconciliation for Trust Account #1 was prepared for as of January 31, 2024. The adjusted bank balance of Trust Account #1 was compared to the total balances of the separate records for Trust Account #1.

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Adjusted Bank Balance	\$139,573.96
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Accountability	\$151,193.80
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Trust Fund Shortage	(\$11,619.84)
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A shortage of \$11,619.84 was found in Trust Account #1 as of January 31, 2024.

The cause of the shortage was due to identified negative balances found in the separate records of multiple beneficiaries.

Trust Account #2

Based on the records provided during the audit, a bank reconciliation for Trust Account #2 was prepared for as of January 31, 2024. The adjusted bank balance of Trust Account #2 was compared to the total balances of the separate records for Trust Account #2.

Adjusted Bank Balance	\$436,160.00
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Accountability	\$498,900.00
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Trust Fund Shortage	(\$62,740.00)
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A shortage of \$62,740.00 was found in Trust Account #2 as of January 31, 2024.

The cause of the shortage was due to identified negative balances found in the separate records of multiple beneficiaries, and unidentified shortages.

Respondents provided no evidence during the audit that the owners of the trust funds had given their written consent to allow Respondents to reduce the balance of the funds in Trust Account #1 and #2 to an amount less than its existing aggregate trust fund liabilities, in violation of Section 10145(a) of the Code and Section 2832.1 of the Regulations.

Separate Records

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Respondents failed to maintain a separate record of the receipt and disposition of all trust funds deposited into Trust Account #1 as required by Section 10145(g) of the Code and Section 2831.1 of the Regulations.

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1 Trust Account Reconciliation

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3 Respondents failed to reconcile the balance of separate beneficiary or transaction
4 records with the control record of trust funds received and disbursed for Trust Account #1 at
5 least once a month, and/or failed to maintain a record of such reconciliations for each bank
6 account holding trust funds as required by section 10145(a) of the Code and 2831.2 of the
7 Regulations.

8 Unlicensed Bank Account Signatory

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10 Respondents' bank signature cards used to hold trust funds for both Trust Account
11 #1 and #2 listed an individual licensed salesperson who was not licensed under PPMS as a
12 signatory, and said individual was also uninsured and unbonded as a signatory in violation of
13 section 10145(a) of the Code and section 2834 of the Regulations.

14 FAILURE TO SUPERVISE

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16 Respondent HENNING failed to exercise reasonable supervision over the acts of
17 PPMS. HENNING permitted, ratified and/or caused the conduct described above, to occur, and
18 failed to take reasonable steps, including, but not limited to, the handling of trust funds,
19 supervision of employees, and the implementation of policies, rules, procedures, and systems to
20 ensure the compliance of the corporation with the Real Estate Law and the Regulations.

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22 The acts and/or omissions of HENNING as described in Paragraph 14, constitutes
23 failure on the part of HENNING, as designated officer-broker for PPMS, to exercise reasonable
24 supervision and control over the licensed activities of PPMS as required by Section 10159.2 of
25 the Code and Section 2725 of the Regulations.

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1 PRIOR ADMINISTRATIVE ACTIONS

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3 Case No. H-7182 SAC

4 Effective August 31, 2023, in Department Case No. H-7182 SAC, the Real Estate
5 Commissioner revoked the broker license and licensing rights of PPMS and HENNING, but
6 granted the right to apply for restricted broker licenses, pursuant to Code Sections 10177(d)
7 (violations of real estate law), 10177(g) (negligence or incompetence), and 10177(h) (failure to
8 supervise), based upon findings of trust fund handling violations stemming from negligence and
9 the failure to supervise the property management activities of PPMS by HENNING.

10 GROUND FOR DISCIPLINE

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12 The acts and/or omissions of Respondents as alleged in the above paragraphs
13 constitute grounds for the suspension or revocation of all licenses and license rights of
14 Respondents under sections 10177(d) (violations of real estate law) and/or 10177(g) (negligence
15 or incompetence) of the Code.

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17 The acts and/or omissions of HENNING as alleged in Paragraphs 14 and 15
18 constitute grounds for the suspension or revocation of all licenses and license rights of
19 HENNING under Sections 10177(d) (violations of real estate law), 10177(g) (negligence or
20 incompetence), and 10159.2/10177(h) (failure to reasonably supervise) of the Code.

21 COST RECOVERY

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

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26 Section 10106 of the Code provides, in pertinent part, that in any order issued in
27 resolution of a disciplinary proceeding before the Department, the Commissioner may request

1 the Administrative Law Judge to direct a licensee found to have committed a violation of this
2 part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the
3 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 Respondents under the Code, for the cost of
7 investigation and enforcement as permitted by law, for the cost of the audit, and for such other
8 and further relief as may be proper under the provisions of law.

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11 HEATHER NISHIMURA

12 Supervising Special Investigator

13 Dated at Sacramento, California,

14 This 11th day of June, 2025

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18 DISCOVERY DEMAND

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