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DEPARTMENT OF REAL ESTATE
By J. Taggart

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12) No. H-12612 SF
13 RED OAK REALTY,)
14 MELISSA LAUREN BUSH, AND) ACCUSATION
15 ROXANNA AHLBACH,)
16 Respondents.)

17 The Complainant, STEPHANIE YEE, a Supervising Special Investigator of the
18 State of California, for Accusation against Respondents RED OAK REALTY (ROR),
19 MELISSA LAUREN BUSH (BUSH) and ROXANNA AHLBACH (AHLBACH), sometimes
20 referred to as Respondents, is informed and alleges as follows:

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22 The Complainant makes this Accusation against Respondents in her official
23 capacity.

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25 At all times herein mentioned, ROR was and is presently licensed and/or has
26 license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and
27 Professions Code (the Code) by the Department of Real Estate (Department) as a corporate real
estate broker.

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2 BUSH is presently licensed and/or has license rights as a real estate broker and is
3 the designated officer of ROR.

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5 AHLBACH is presently licensed and/or has license rights as a real estate
6 salesperson.

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8 As the designated officer, BUSH was responsible, pursuant to Section
9 10159.2 of the Code, for the supervision of the activities of the officers, agents, real estate
10 licensees and employees of ROR for which a real estate license is required.

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

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18 At all times mentioned, Respondents engaged in the business of, acted in the
19 capacity of, advertised or assumed to act as a real estate broker in the State of California,
20 within the meaning of Section 10131(a) of the Code, including the operation and conduct of a
21 residential resale brokerage wherein Respondents bought, sold, or offered to buy or sell,
22 solicited or obtained listings of, and negotiated the purchase, sale or exchange of real property
23 or business opportunities, all for or in expectation of compensation.

24 FIRST CAUSE OF ACTION

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26 Complainant refers to Paragraphs 1 through 7, above, and incorporates the same,
27 herein.

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Sometime before June 2022, AHLBACH agreed to represent Jèssica Liu, Buyer, in her efforts to purchase a residence.

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On or about June 5, 2020, AHLBACH, on behalf of Buyer, made an offer to purchase that certain real property commonly known as 288 Whitmore, Apartment 204, Oakland, California (Whitmore Property).

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On or about June 6, 2020, Seller accepted the offer from Jessica Liu to purchase the Whitmore Property.

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On or about June 12, 2020 Respondent sent Buyer the initial disclosure package, including a 2016 Transfer Disclosure Statement (TDS) and 2016 Seller Property Questionnaire (SPQ), for a previous sale of the property.

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On or about June 23, 2020, Buyer signed off on the disclosure package, which included the 2016 TDS and SPQ.

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On or about June 29, 2020, escrow closed on the Whitmore Property. Later that day Respondent realized the 2020 TDS and 2020 SPQ had not been provided to Buyer and provided the same to Buyer, after escrow had closed.

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The 2020 TDS and 2020 SPQ contained unique disclosures that were not in the 2016 TDS or 2016 SPQ. The new disclosures were that: 1) there was a leak from the upstairs bathroom due to a toilet wax ring issue; 2) a small dog had lived in the house and may have stained the carpet; and 3) during a remodel, a chimney was covered up, trapping a squirrel causing the need for repairs.

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2 Had seller known of the conditions set forth in the 2020 TDS and 2020 SPQ, set
3 forth above, she would not have agreed to purchase the Whitmore Property.

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5 The facts alleged above constitute cause for the suspension or revocation of the
6 license and license rights of AHLBACH under Sections 10177(d) (willful disregard/violation of
7 real estate law) and 10177(g) of the Code.

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9 SECOND CAUSE OF ACTION

10 Complainant refers to Paragraphs 1 through 17 above, and incorporates the same
11 herein.

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13 At all times herein above mentioned, BUSH, was responsible as the supervising
14 broker for ROR, for the supervision and control of the activities conducted on behalf of ROR's
15 business by its employees. BUSH failed to exercise reasonable supervision and control over the
16 property management activities of ROR. In particular, BUSH permitted, ratified and/or caused
17 the conduct described above, to occur, and failed to take reasonable steps, including but not
18 limited to handling of trust funds, supervision of employees, and the implementation of policies,
19 rules, and systems to ensure the compliance of the business with the Real Estate Law and the
20 Regulations.

21 20

22 The above acts and/or omissions of BUSH violate Section 10159.2
23 (Responsibility/Directing Officer) of the Code and Section 2725 (Broker Supervision) of the
24 Regulations and constituted grounds for disciplinary action under the provisions of Sections
25 10177(g) (Negligence/Incompetence Real Estate Licensee) and 10177(h) (Broker Supervision)
26 of the Code.

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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 Respondents under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other provisions of law.



STEPHANIE YEE
Supervising Special Investigator

Dated at Oakland, California,
this 2nd day of September, 2022

DISCOVERY DEMAND

The Department of Real Estate hereby requests discovery pursuant to Section 11507.6 of the California Government Code. Failure to provide discovery to the Department may result in the exclusion of witnesses and/or documents at the hearing, and other sanctions as the Administrative Law Judge deems appropriate.