

FILED

AUG 21 2013

BUREAU OF REAL ESTATE

By Norma Simms

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BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of

No. H-39008 LA

CAKE REALTY INC; and DOROTHY  
LOUISE CAKE, individually, and as  
designated officer of Cake Realty  
Inc,

A C C U S A T I O N

Respondents.

The Complainant, Veronica Kilpatrick, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against CAKE REALTY INC and DOROTHY LOUISE CAKE, individually, and as designated officer of Cake Realty Inc, alleges as follows:

1.

The Complainant, Veronica Kilpatrick, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation against CAKE REALTY INC and DOROTHY LOUISE CAKE.

1 2.

2 All references to the "Code" are to the California  
3 Business and Professions Code and all references to "Regulations"  
4 are to Title 10, Chapter 6, California Code of Regulations.

5 LICENSE HISTORY

6 3.

7 A. At all times mentioned, CAKE REALTY INC ("CRI") and  
8 DOROTHY LOUISE CAKE ("CAKE") were licensed or had license rights  
9 issued by the Bureau of Real Estate ("Bureau") as real estate  
10 brokers.

11 B. At all times mentioned, CRI was licensed by the  
12 Bureau as a corporate real estate broker by and through CAKE, as  
13 the designated officer and broker responsible, pursuant to Code  
14 Section 10159.2 for supervising the activities requiring a real  
15 estate license conducted on behalf of CRI by CRI's officers,  
16 agents and employees, including CAKE. CRI was originally  
17 licensed on April 24, 2009.

18 C. At all times mentioned, DOROTHY LOUISE CAKE  
19 ("CAKE") was licensed or had license rights issued by the Bureau  
20 as a real estate broker. On May 18, 2000, CAKE was originally  
21 licensed as a real estate broker. On April 24, 2009, CAKE was  
22 licensed as the designated officer of CRI.

23 BROKERAGE

24 CAKE REALTY INC

25 4.

26 At all times mentioned, in the City of Temecula, County  
27 of Riverside, CRI and CAKE acted as real estate brokers,

1 conducting licensed activities within the meaning of Code  
2 Sections 10131(a) and 10131(b) by selling or offering to sell  
3 real property and leasing real property for others.

4 AUDIT

5 CAKE REALTY INC

6 5.

7 On December 9, 2011, the Bureau (then called "The  
8 Department of Real Estate") completed an audit examination of the  
9 books and records of CRI pertaining to the loan activities  
10 described in Paragraph 4 which require a real estate license.  
11 The audit examination covered a period of time beginning on  
12 September 1, 2009 to September 30, 2011. The audit examination  
13 revealed violations of the Code and the Regulations as set forth  
14 in the following paragraphs, and as more fully discussed in Audit  
15 Reports SD100094 and SD110014 and the exhibits and workpapers  
16 attached to said audit reports.

17 VIOLATIONS OF THE REAL ESTATE LAW

18 6.

19 In the course of activities described in Paragraph 4  
20 above, and during the examination period described in Paragraph  
21 5, Respondents CRI and CAKE acted in violation of the Code and  
22 the Regulations in that:

23 (a) CRI's trust account had a shortage of \$8,706.54, as  
24 of September 30, 2011, without the written consent of every  
25 principal who was an owner of the funds in the account, in  
26 violation of Code Section 10145 and Regulation 2832.1.

(b) CRI did not maintain a monthly reconciliation of all the separate records to the control record of all trust funds received and disbursed, in violation of Code Section 10145 and Regulation 2831.2.

(c) The bank account CRI used for trust funds was not designated as a trust account during the audit period, in violation of Code Section 10145 and Regulation 2832.

(d) CRI allowed an unlicensed individual without fidelity bond coverage to be a signer on the bank account used to handle trust funds, in violation of Code Section 10145 and Regulation 2834.

7.

The conduct of Respondents CRI and CAKE, described in Paragraph 7, above, violated the Code and the Regulations as set forth below:

PARAGRAPH

PROVISIONS VIOLATED

6(a)

Code Section 10145 and Regulation 2832.1

6(b)

Code Section 10145 and Regulation 2831.2

6(c)

Code Section 10145 and Regulation 2832

6(d)

Code Section 10145 and Regulation 2834

1           The foregoing violations constitute cause for the  
2 suspension or revocation of the real estate licenses and license  
3 rights of CRI and CAKE, under the provisions of Code Sections  
4 10177(d) and/or 10177(g).

5                           SUPERVISION AND COMPLIANCE

6   8.

7           The overall conduct of Respondent CAKE constitutes a  
8 failure on her part, as officer designated by a corporate broker  
9 licensee, to exercise the reasonable supervision and control over  
10 the licensed activities of CRI as required by Code Section  
11 10159.2, and to keep CRI in compliance with the Real Estate Law,  
12 and is cause for the suspension or revocation of the real estate  
13 license and license rights of CAKE pursuant to the provisions of  
14 Code Sections 10177(d), 10177(g) and 10177(h).

15   9.

16           Code Section 10106, provides, in pertinent part, that  
17 in any order issued in resolution of a disciplinary proceeding  
18 before the Bureau, the Commissioner may request the  
19 administrative law judge to direct a licensee found to have  
20 committed a violation of this part to pay a sum not to exceed the  
21 reasonable costs of the investigation and enforcement of the  
22 case.

23   ///

24   ///

25   ///

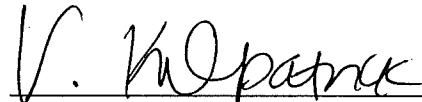
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1 WHEREFORE, Complainant prays that a hearing be  
2 conducted on the allegations of this Accusation and that upon  
3 proof thereof, a decision be rendered imposing disciplinary  
4 action against the license and license rights of Respondents CAKE  
5 REALTY INC and DOROTHY LOUISE CAKE, individually and as  
6 designated officer of Cake Realty Inc, under the Real Estate Law,  
7 that Complainant be awarded its costs of investigation and  
8 prosecution of this case, and for such other and further relief  
9 as may be proper under other applicable provisions of law.

10 Dated at San Diego, California

11  
12 this 18<sup>th</sup> day of August, 2013.

13  
14 

15 Veronica Kilpatrick  
16 Deputy Real Estate Commissioner  
17  
18  
19  
20  
21  
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23

24 CC: CAKE REALTY INC  
25 c/o DOROTHY LOUISE CAKE D.O.  
26 Veronica Kilpatrick  
27 Sacto  
Audits