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FILED

JUL 11 2016

BUREAU OF REAL ESTATE

By *[Signature]*

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of

TEAM LAGUNA INC., and
DANIELLE H. PURCELL, individually
and as designated officer of Team Laguna Inc.

Respondent.

No. H-40071 LA

**FIRST AMENDED
ACCUSATION**

The Accusation filed on December 21, 2015 is amended in its entirety as follows:

The Complainant, Maria Suarez, a Supervising Special Investigator of the State of California, for cause of Accusation against TEAM LAGUNA INC., and DANIELLE H. PURCELL, individually and as designated officer of Team Laguna Inc., alleges as follows:

1.

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

2.

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

1 LICENSE HISTORY

2 3.

3 A. Respondent DANIELLE H. PURCELL ("PURCELL" or "D.O. PURCELL") is
4 presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the
5 Code) as a real estate broker ("REB"), license ID 01063725. Respondent PURCELL was
6 originally licensed by the Bureau as a salesperson on February 8, 1990, and as a broker on
7 September 27, 2004. Respondent PURCELL is the designated officer ("D.O.") of record for
8 TEAM LAGUNA INC. until February 27, 2017. Respondent PURCELL maintains no branch
9 offices of record. Respondent PURCELL holds the following DBAs under her BRE license:
10 onlyinlaguna.com; The Rental Queen; Team Aliso Viejo; Team Beach Cities; Team Corona Del
11 Mar; Team Irvine; Team Laguna; Team Laguna Niguel; and Team Newport Coast. PURCELL's
12 BRE license was suspended for sixty (60) days (stayed) on January 8, 2010 in BRE Case No. H-
13 35830 LA, for violation of Code Section 10145 and Regulations 2831, 2831.1, and 2831.2.

14 B. Respondent TEAM LAGUNA INC. ("TLI") is presently licensed and/or has
15 license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as a real estate
16 corporation ("REC"), license ID 01926719. Respondent TLI was originally licensed by the
17 Bureau on February 26, 2013. TLI's designated officer of record is Respondent PURCELL until
18 February 27, 2017. Respondent TLI does not maintain any DBAS or branch offices of record.
19 As of January 22, 2016, TLI employs twenty-one (21) salespersons.

20 BROKERAGES

21 DANIELLE PURCELL

22 4.

23 A. At all times mentioned in Laguna Beach, California, Respondent PURCELL
24 acted as a real estate broker, and ordered, caused, authorized or participated in licensed activities
25 within the meaning of (1) Code Section 10131(a), by selling or offering to sell, buying or
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1 offering to buy, soliciting prospective sellers or purchasers of, soliciting or obtaining listings of,
2 or negotiating the purchase, sale or exchange of real property or a business opportunity ("real
3 estate sales") and (2) Code Section 10131(b), wherein PURCELL engaged in property
4 management activities, and leased or rented or offered to lease or rent, or placed for rent, or
5 solicited listings of places for rent, or solicited for prospective tenants, or negotiated the sale,
6 purchase or exchanges of leases on real property, or on a business opportunity, or collected rent
7 from real property, or improvements thereon, or from business opportunities ("property
8 management").

9 B. PURCELL represented both buyers and sellers in her real estate sales activities.
10 During the audit examination period, PURCELL closed approximately twenty (20) sales
11 transactions with a total aggregate value of approximately \$9,000,000.00.

12 C. In her property management activities, PURCELL managed twelve (12)
13 residential properties for seven (7) owners, and was involved in both short and long term rentals.
14 PURCELL charged a management fee between five percent (5%) and eight percent (8%) of the
15 rents collected, and, in the seven months leading into the audit examination period, handled
16 approximately \$2,298,000.00 of trust funds.

17 TEAM LAGUNA INC.

18 5.

19 A. At all times mentioned in Laguna Beach, California, Respondent TLI acted as
20 a real estate broker, and ordered, caused, authorized or participated in licensed activities within
21 the meaning of (1) Code Section 10131(a) (real estate sales) and (2) Code Section 10131(b),
22 (property management).

23 B. According to PURCELL, she is the President, Secretary and Treasurer of TLI,
24 as well as the sole owner.

1 C. According to PURCELL and the records examined by the Bureau, TLI
2 managed twelve (12) residential properties for seven (7) owners, and was involved in both short-
3 and long-term rentals. PURCELL charged a management fee between five percent (5%) and
4 eight percent (8%) of the rents collected, and, in the twelve months leading into the audit
5 examination period, handled approximately \$3,047,000.00 in rents and security deposits.

6 D. According to PURCELL, TLI closed about thirty-five (35) sales transactions
7 with a total aggregate value of approximately \$14 million (\$14,000,000) during the audit period
8 cited below.

9 E. According to PURCELL, the property management activities conducted under
10 PURCELL's individual REB license were transferred to TLI's REC license beginning in
11 December 2012.

12 AUDIT OF DANIELLE H. PURCELL

13 (LA 140193)

14 6.

15 On November 13, 2015, the Bureau completed an audit examination of the books
16 and records of Respondent PURCELL pertaining to the property management activities described
17 in Paragraph 4 above, which require a real estate license. The audit examination covered a
18 period of time beginning on June 1, 2012 and ending on February 1, 2013 (hereinafter "audit
19 examination period"), and was performed between June 15, 2015 and October 12, 2015 ("field
20 work period"). The final report of November 13, 2015 revealed violations of the Code and the
21 Regulations as set forth in the following paragraphs, and more fully discussed in Audit Report
22 LA 140193. (The Bureau conducted a separate audit of PURCELL's real estate sales activities.)

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1 Bank Account

2 7.

3 During the audit examination period described in Paragraph 6 above, Respondent
4 PURCELL accepted or received funds including funds in trust ("trust funds") from or on behalf
5 of actual or prospective parties, including tenants and property owners, and thereafter made
6 deposits or disbursements of such funds. During the examination period PURCELL deposited
7 and/or maintained said trust funds relating to its property management activities in the following
8 account:

9 Bank Account 1 ("B/A 1")

- 10 * Account Title/Name: Only in Laguna DBA Team Laguna
- 11 * Bank: Wells Fargo Bank, Ventura, CA
- 12 * Account # xxxxx5269
- 13 * Sole Owner: Danielle Purcell
- 14 * Signatories: Danielle Purcell, Kate C. Keast (BRE license ID 01384284)
- 15 * Date Opened: 03/06/12
- 16 * Date Closed: 02/04/13

17 Violations of the Real Estate Law - PURCELL

18 8.

19 In the course of activities as described in Paragraph 4, above, and during the
20 examination period described in Paragraph 6, Respondent PURCELL acted in violation of the
21 Code and the Regulations, as described below:

22 A. **Trust Fund Handling.** According to the records provided by PURCELL for
23 B/A 1, utilized for trust funds received and disbursed for her property management activities,
24 PURCELL transferred funds totaling \$25,612.08 from B/A 1 to Wells Fargo Bank Account
25 #XXXXXXXX2697 without first obtaining authorization from the owners of the trust funds,
26 in violation of **Code Section 10145(a)**. The transfers were made on the following dates for the
27 following amounts:

Date	Amount	Method	Destination Account
12/31/12	\$ 2,350.00	Transfer	XXXXXXX2697
12/31/12	\$ 3,800.00	Transfer	XXXXXXX2697
12/31/12	\$ 9,831.58	Transfer	XXXXXXX2697
1/2/13	\$ 9,500.00	Transfer	XXXXXXX2697
1/11/13	\$ 130.50	Transfer	XXXXXXX2697
Total	\$25,612.08		

B. **Trust Fund Handling – Account Designation.** According to the bank records provided by PURCELL for B/A 1, utilized for trust funds received and disbursed for her property management activities, B/A 1 was not designated as trust account, nor was PURCELL named as a trustee on the accounts, in violation of **Code Section 10145 and Regulation 2832.**

C. **Trust Fund Handling - Monthly Written Reconciliation for Separate Records.** PURCELL maintained a monthly written reconciliation of all separate record balances of all trust funds received and disbursed for B/A 1; however, PURCELL failed to maintain an accurate and complete monthly reconciliation comparing the balance of all the separate records to the balance of the control record of the trust funds received and disbursed, in violation of **Code Section 10145 and Regulation 2831.2.** According to the records provided by PURCELL, there was a trust fund shortage of <\$1,251.00> in B/A 1 as of June 15, 2015, at the beginning of the audit field work period; subsequent to the audit field work period, PURCELL provided a corrected reconciliation on October 16, 2015, and the trust fund shortage as of that date was \$0.00.

D. **False or Fictitious Business Name.** According to the bank records provided by PURCELL for B/A 1, PURCELL used unlicensed fictitious business names “Only in Laguna DBA Team Laguna” in connection with her property management activities without first

1 obtaining a license from the Bureau bearing such fictitious business names, in violation of **Code**
2 **Section 10159.5 and Regulation 2731.**

3 **E. Responsibility of Corporate Officer/Broker – Failure to Supervise (D.O.**
4 **PURCELL).** The acts and/or omissions of PURCELL, as described in Paragraphs 8A. through
5 8D. above, demonstrate a failure to adequately supervise the property management activities of
6 her employees under her individual broker license. Respondent PURCELL failed to establish
7 policies, rules, procedures and systems to review, oversee, inspect and manage the handling of
8 trust funds in her property management activities. Respondent PURCELL failed to maintain
9 accurate and complete monthly written reconciliations for separate records and used an
10 unlicensed fictitious business name on an account in which trust funds relating to her property
11 management activities were deposited and could be withdrawn. These acts and/or failures to act
12 constitute grounds for the suspension or revocation of the license and license rights of
13 Respondent PURCELL under the provisions of **Code Sections 10159.2 and 10177(h) and**
14 **Regulation 2725.**

15 AUDIT OF TEAM LAGUNA INC.

16 (LA 150053)

17 9.

18 On February 26, 2016, the Bureau completed an audit examination of the books
19 and records of Respondent TLI pertaining only to the property management activities described
20 in Paragraph 5 above, which require a real estate license; no audit examination was performed on
21 TLI's real estate sales activities. The audit examination covered the period of time beginning on
22 January 1, 2013 and ending on September 30, 2015, and the field work was performed from
23 October 12, 2015 to January 22, 2016. The final report of February 26, 2016 revealed violations
24 of the Code and the Regulations as set forth in the following paragraphs, and more fully
25 discussed in Audit Report LA 150053.

1 Bank Account

2 10.

3 During the audit examination period described in Paragraph 9 above, Respondent
4 TLI accepted or received trust funds from or on behalf of actual or prospective parties, including
5 tenants and property owners, and thereafter made deposits or disbursements of such funds.

6 During the examination period TLI deposited and/or maintained said trust funds for multiple
7 beneficiaries in connection with its property management activities in the following account:

8 Bank Account 1 ("TLI B/A 1")

9 * Account Title/Name: Team Laguna, Inc.

* Bank: Wells Fargo Bank, Laguna Beach, CA

* Account # xxxxxx2697

10 * Signatories: Danielle H. Purcell, Kate C. Keast (BRE license ID 01384284)

11 * Signatures Required: one (1)

12 Violations of the Real Estate Law – TLI

13 11.

14 In the course of activities as described in Paragraph 5, above, and during the
15 examination period described in Paragraph 9, Respondent TLI acted in violation of the Code and
16 the Regulations, as described below:

17 A. **Trust Fund Handling – Account Designation.** According to the records
18 provided by TLI for TLI B/A 1, utilized for trust funds received and disbursed for its property
19 management activities, TLI B/A 1 was not designated as trust account, in violation of **Code**
20 **Section 10145 and Regulation 2832.**

21 B. **False or Fictitious Business Name.** According to records provided by TLI for
22 the audit examination, TLI used unlicensed fictitious business names "Team Laguna Real Estate
23 Inc" and "Team Laguna Real Estate LLC" in connection with its property management
24 activities, on documents including but not limited to: residential lease or month-to-month rental
25 agreements, lease listing agreements and property management agreements, without first
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1 obtaining a license from the Bureau bearing such fictitious business names, in violation of **Code**
2 **Section 10159.5 and Regulation 2731.**

3 **C. Responsibility of Corporate Officer/Broker – Failure to Supervise (D.O.**
4 **PURCELL**). The acts and/or omissions of PURCELL, as the designated officer of record of
5 TLI, as described in Paragraphs 11A. and 11B. above, demonstrate a failure to adequately
6 supervise the property management activities of TLI. Respondent PURCELL failed to establish
7 policies, rules, procedures and systems to review, oversee, inspect and manage TLI's handling of
8 trust funds for its property management activities, and allowed TLI to use unlicensed fictitious
9 business names in its property management activities. These acts and/or failures to act constitute
10 grounds for the suspension or revocation of the licenses and license rights of Respondent
11 PURCELL under the provisions of **Code Sections 10159.2 and 10177(h) and Regulation 2725,**
12 **and in conjunction with Code Section 10177(d).**

13 Additional Violations of the Real Estate Law

14 12.

15 The overall conduct of Respondents PURCELL and TLI are violative of the Real
16 Estate Law and constitute cause for the suspension or revocation of the real estate licenses and
17 license rights of PURCELL and TLI under the provisions of **Code Sections 10177(g)** for
18 negligence and **10177(d)** for willful disregard of the Real Estate Law.

19 COSTS

20 Investigation and Enforcement Costs

21 13.

22 Code Section 10106 provides, in pertinent part, that in any order issued in
23 resolution of a disciplinary proceeding before the Bureau of Real Estate, the Commissioner may
24 request the administrative law judge to direct a licensee found to have committed a violation of
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1 this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of
2 the case.

3 Audit Costs


4 14.

5 Code Section 10148(b) provides, in pertinent part, the Commissioner shall charge
6 a real estate broker for the cost of any audit, if the Commissioner has found in a final decision
7 following a disciplinary hearing that the broker has violated Code section 10145 or a regulation
8 or rule of the Commissioner interpreting said section.

9 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
10 of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary
11 action against the licenses and license rights of Respondents DANIELLE H. PURCELL and
12 TEAM LAGUNA INC. under the Real Estate Law (Part 1 of vision 4 of the Business and
13 Professions Code), for the cost of investigation and enforcement as permitted by law, and for
14 such other and further relief as may be proper under other provisions of law, and for costs of
15 audit.

16 Dated at Los Angeles, California

17 this 11th day of July, 2016.

18 
19 Maria Suarez
20 Supervising Special Investigator
21

22
23 cc: Team Laguna Inc.
24 Danielle H. Purcell
25 Sacto.
26 Audits – Isabel Beltran
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