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2 Department of Real Estate

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**FILED**

**AUG 08 2018**

DEPARTMENT OF REAL ESTATE

By John C. Gumbel

9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Accusation of )

No. H-41131 LA

13 OCS REAL ESTATE SERVICES, INC and )

14 JASON LANCE GRyder, individually )

15 and as designated officer of OCS Real Estate )

16 Services, Inc, )

17 Respondents. )

ACCUSATION

18 The Complainant, Maria Suarez, a Supervising Special Investigator of the State  
19 of California, for cause of Accusation against OCS REAL ESTATE SERVICES, INC and  
20 JASON LANCE GRyder, individually and as designated officer of OCS Real Estate  
21 Services, Inc, ("Respondents") alleges as follows:

22 1.

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

25 2.

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

1 LICENSE HISTORY

2 (OCS REAL ESTATE SERVICES, INC)

3 3.

4 a. Respondent OCS REAL ESTATE SERVICES, INC ("OCS") is presently  
5 licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the  
6 California Business and Professions Code, as a corporate real estate broker, Department of Real  
7 Estate<sup>1</sup> ("Department") license ID 01892164.

8 b. Respondent OCS's corporate license was originally issued on December 20,  
9 2010, and is scheduled to expire on December 19, 2018, unless renewed.

10 c. According to the Department's records to date, Respondent OCS's main office  
11 address is 25571 Marguerite Parkway, Suite 2-O, Mission Viejo, California.

12 d. Respondent OCS's designated officer is Respondent JASON LANCE  
13 GRYDER.

14 e. According to the Department's records to date, Respondent OCS does not  
15 currently maintain any fictitious business names under its corporate real estate broker license.

16 (JASON LANCE GRYDER)

17 4.

18 a. Respondent JASON LANCE GRYDER ("GRYDER") is presently licensed  
19 and/or has license rights under the Code as a real estate broker, Department license ID  
20 01194517.

21 b. Respondent GRYDER's broker license was originally issued on December  
22 18, 2008, and is scheduled to expire on December 7, 2021, unless renewed.

23 c. According to the Department's records to date, Respondent GRYDER does  
24 not currently maintain any fictitious business names under his real estate broker license.

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27 <sup>1</sup> Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate under the Department of Consumer Affairs.

1 d. According to the Department's records to date, Respondent GRYDER's main  
2 office address is 108 Pacifica, Unit #300, Irvine, California.

3 e. Respondent GRYDER has been the designated officer for Respondent OCS  
4 from December 20, 2010 through the present. His officer designation is scheduled to expire on  
5 December 19, 2018, unless renewed. As designated officer, Respondent GRYDER is  
6 responsible for the supervision of the activities conducted on behalf of Respondent OCS by its  
7 officers, agents, real estate licensees, and employees pursuant to Section 10159.2 of the Code.

8 REAL ESTATE ACTIVITY

9 5.

10 At all times mentioned herein, Respondent OCS engaged in the business of,  
11 acted in the capacity of, advertised or assumed to act as a real estate broker, within the meaning  
12 of Section 10131(b) of the Code. Respondent's activities included performing the rental of and  
13 collection of rents and security deposits for real property on behalf of others for compensation  
14 or in expectation of compensation.

15 CAUSE FOR ACCUSATION

16 (AUDIT NO. LA 160111)

17 6.

18 On or about November 30, 2017, the Department completed an audit  
19 examination (Audit No. LA 160111) of the books and records of Respondent OCS pertaining to  
20 its property management activities described in Paragraph 5 above. The audit examination  
21 covered the period of time from April 1, 2015, through May 31, 2017 ("audit period"), and was  
22 performed intermittently between May 24, 2017, and November 30, 2017. The audit  
23 examination was limited to Respondent OCS's property management activities. The audit  
24 examination revealed violations of the Code and the Regulations as set forth in the following  
25 paragraphs, and more fully discussed in Audit Report No. LA 160111 and the exhibits and  
26 work papers attached to said audit report.

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11 7.

An entrance conference was held on June 19, 2017. The auditor met with Respondent GRYDER at the San Juan Capistrano Public Library located at 31495 El Camino Real, San Juan Capistrano, California. According to Respondent GRYDER, Respondent OCS was involved in property management activity during the audit period. Respondent OCS managed nineteen (19) properties of which thirteen (13) were residential properties, one (1) apartment complex, and five (5) commercial properties for nineteen (19) owners. Respondent OCS maintained a single beneficiary trust account for each property owner (nineteen (19) total) and collected rents and screened tenants for compensation. Respondent OCS charged a management fee of six percent (6%) based on monthly rent collections.

12 8.

According to Respondent GRYDER, Danny James Owens ("Owens"), a real estate broker, Department ID 01809597, was Respondent GRYDER's business partner and the Chief Financial Officer of Respondent OCS. According to Respondent GRYDER, Owens took the records of Respondent OCS and stole all of its clients. As a result, Respondent GRYDER provided limited records for the examination.

17 9.

According to the Department's licensing records, Owens was licensed by the Department as a restricted real estate salesperson from September 18, 2007 through February 23, 2017. From March 8, 2011, through September 17, 2015, Owens' employing broker was Respondent OCS. From September 18, 2015, through February 24, 2017, Owens' employing broker was Respondent GRYDER. Owens obtained his real estate broker license on February 24, 2017, and, according to Respondent GRYDER, Owens became a broker-associate of Respondent OCS at that time.

25 10.

At all times mentioned herein, and in connection with the property management activity described in Paragraph 5 above, Respondent OCS accepted or received funds, including

1 funds in trust ("trust funds") from or on behalf of the owner of the real property managed by  
2 Respondent OCS, and thereafter made deposits and/or disbursements of such funds. From time-  
3 to-time during the audit period, said trust funds were deposited and/or maintained in the  
4 following bank accounts. The auditor requested trust fund records for four (4) trust accounts  
5 from Respondent OCS for examination. Not all trust fund records for each trust account were  
6 made available for examination for the following bank accounts:

7 Trust Account #1 ("TA #1")

8 Bank: Wells Fargo Bank

9 Bank Address: P.O. Box 6995, Portland, Oregon 97228

10 Account Name: RAK 1 LLC

11 O.C. Sunrise Real Estate Group, Inc

12 Account Number: xxxxxx5187

13 Signatories: Jason Gryder

14 Danny Owens

15 Signatures required: One

16 Purpose: TA #1 was a single beneficiary account used for handling the trust fund  
17 receipts and disbursements for 6165 Carling Way property in connection with Respondent  
18 OCS's property management activity. According to TA #1's bank signature card, TA #1 was  
19 opened on or about October 10, 2013.

20 Trust Account #2 ("TA #2")

21 Bank: Wells Fargo Bank

22 Bank Address: P.O. Box 6995, Portland, Oregon 97228

23 Account Name: 30441 Abington Ct

24 O.C. Sunrise Real Estate Group, Inc

25 Account Number: xxxxxx2410

26 Signatories: Jason Gryder

27 Danny Owens

Signatures required: One

Purpose: TA #2 was a single beneficiary account used for handling the trust fund receipts and disbursements for 30441 Abington Ct property in connection with Respondent OCS's property management activity. According to TA #2's bank signature card, TA #2 was opened on or about October 10, 2013.

Trust Account #3 ("TA #3")

Bank: Wells Fargo Bank

Bank Address: P.O. Box 6995, Portland, Oregon 97228

Account Name: Kevin and Sony Trust

OCS Real Estate Services, Inc

Account Number: xxxxxx7352

Signatories: Jason Gryder

Danny Owens

Signatures required: One

Purpose: TA #3 was a single beneficiary account used for handling the trust fund receipts and disbursements for 265 Vista Del Oceano property in connection with Respondent OCS's property management activity. According to TA #3's bank signature card, TA #3 was opened on or about December 19, 2013.

Trust Account #4 ("TA #4")

Bank: Wells Fargo Bank

Bank Address: P.O. Box 6995, Portland, Oregon 97228

Account Name: 113 Avenida Del Reposa

O.C. Sunrise Real Estate Group, Inc

Account Number: xxxxxx2386

Signatories: Jason Gryder

Danny Owens

Signatures required: One

1 Purpose: TA #4 was a single beneficiary account used for handling the trust fund  
2 receipts and disbursements for 113 Avenida Reposa property in connection with Respondent  
3 OCS's property management activity. According to TA #4's bank signature card, TA #4 was  
4 opened on or about October 10, 2013.

5 Violations of the Real Estate Law in Audit No. LA 1600111

6 11.

7 The audit examination revealed violations of the Code and the Regulations, as  
8 set forth in the following paragraphs, and more fully discussed in Audit Report No. LA 160111  
9 and the exhibits and work papers attached to the audit report:

10 (a) Use of False or Fictitious Business Name (Code section 10159.5 and Reg.  
11 section 2731). During the audit period, Respondent OCS used an unlicensed fictitious business  
12 name "O.C. Sunrise Real Estate Group, Inc" to conduct its real estate activities in violation of  
13 Code section 10159.5 and Regulations section 2731. The fictitious business name "O.C.  
14 Sunrise Real Estate Group, Inc" was used on the trust accounts' bank signature cards provided  
15 to the auditor during the audit examination. Department licensing records do not show "O.C.  
16 Sunrise Real Estate Group, Inc" as an authorized fictitious business name under its corporate  
17 broker real estate license.

18 (b) Place of Business (Code section 10162). According to Respondent  
19 GRYDER, Respondent OCS was no longer conducting its property management operations at  
20 the 25571 Marguerite Parkway address, the address listed in the Department's records.  
21 Respondent GRYDER stated to the auditor that Respondent OCS moved to its new address  
22 34231 Camino Capistrano, Suite 202 in Dana Point California, in 2016. Respondents OCS and  
23 GRYDER failed to notify the Department of the change in Respondent OCS's main office  
24 address within 30 days from the date of the change in violation of Code section 10162.

25 (c) Broker-Salesman Relationship Agreement (Reg. section 2726). Based on  
26 the limited records provided for examination, Owens was an authorized signer on TA #1, TA  
27 #2, TA #3, and TA #4. According to Department licensing records, Owens was a real estate

1 salesperson of Respondent GRYDER prior to obtaining is real estate broker license in February  
2 23, 2017. Upon receiving his real estate broker license in February 2017, Owens became a  
3 broker associate of Respondent OCS prior to his resignation on April 19, 2017. During the  
4 audit period, Respondent OCS failed to maintain a Broker-Salesman Relationship Agreement  
5 with Owens in violation of Reg. section 2726.

6 (d) **Retention of Records (Code section 10148)**. A subpoena duces tecum dated  
7 May 24, 2017, was served on Respondent GRYDER on May 24, 2017, to produce records on or  
8 before June 15, 2017 at 10:00 a.m. at the Department's Los Angeles office related to  
9 Respondent OCS's real estate activities for the audit period from April 1, 2015 through May 31,  
10 2017. Respondent OCS failed to produce all of its books, records and documents for  
11 examination in violation of Code section 10148. Respondents OCS and GRYDER failed to  
12 provide the following records and documents requested in the subpoena duces tecum: Broker-  
13 Salesperson Relationship Agreement, Articles of Incorporation, Fictitious Business Name  
14 Statement, bank statements for general accounts used in connection with real estate brokerage  
15 activity, invoices, cancelled checks, deposit slips, property management and residential lease  
16 agreements, and/or itemized records of deposits and canceled checks for general business  
17 accounts.

18 (e) **Responsibility of Corporate Officer in Charge/Broker Supervision**  
19 **(Code sections 10159.2 and 10177(h) and Reg. section 2725)**. Based on the violations set  
20 forth in Paragraphs 11(a)-(d) above, Respondent GRYDER failed to exercise adequate  
21 supervision and control over the activities of Respondent OCS's employees and licensees to  
22 ensure compliance with the Real Estate Laws and Regulations in violation of Code sections  
23 10177(h) and 10159.2. Respondent GRYDER failed to establish and/or implement policies,  
24 rules, procedures and system to review, oversee, inspect and manage transactions requiring a  
25 real estate license and the handling of trust funds in violation of Regulations section 2725.

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12.

Each of the foregoing violations in Paragraphs 10(a)-(e) above constitutes cause for the suspension or revocation of the real estate license and/or license rights of Respondents OCS and GRYDER under the provisions of Sections 10177(d), 10177(g), and/or 10177(h).

COSTS

(INVESTIGATION AND ENFORCEMENT COSTS)

13.

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 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 the licenses and/or license rights of Respondents OCS REAL ESTATE SERVICES, INC and JASON LANCE GRYDER, individually and as designated officer of OCS Real Estate Services Inc, under the Real Estate Law, for the costs of the investigation and enforcement, as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California this 27 day of July, 2018.

  
Maria Suarez  
Supervising Special Investigator

cc: OCS REAL ESTATE SERVICES, INC  
JASON LANCE GRYDER  
Maria Suarez  
Sacto.  
Audits – Chona Picayo