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BUREAU OF REAL ESTATE

By

[Signature]

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation against

DRE No. H-41586 LA

FREEMAN PROPERTY MANAGEMENT, INC. and
HELAINE BETH CAMPBELL, individually and as
designated officer for Freeman Property Management,
Inc.,

ACCUSATION

Respondents.

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator for the Department of Real Estate¹ ("Department") of the State of California, for cause of Accusation against FREEMAN PROPERTY MANAGEMENT, INC. and HELAINE BETH CAMPBELL, individually and as designated officer for Freeman Property Management, Inc. (collectively "Respondents"), is informed and alleges as follows:

1. All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to the Regulations of the Real Estate Commissioner, Title 10,

¹ 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 Chapter 6, California Code of Regulations.

2 2. Respondents are presently licensed and/or have license rights under the Real Estate
3 Law (Part 1 of Division 4 of the California Business and Professions Code).

4 Statement of Facts

5 3. On or about March 30, 2011, the Department issued a real estate corporation license
6 to Respondent FREEMAN PROPERTY MANAGEMENT, INC. ("FPMI"), License ID
7 01897343.

8 4. Respondent FPMI's license expired on March 29, 2019. Respondent FPMI has
9 renewal rights pursuant to Code section 10201. The Department retains jurisdiction pursuant to
10 Code section 10103.

11 5. On or about December 1, 2003, the Department issued a real estate broker license to
12 Respondent HELAINE BETH CAMPBELL ("CAMPBELL"), License ID 01121743.

13 6. Respondent CAMPBELL's license expired on November 30, 2019. Respondent
14 CAMPBELL has renewal rights pursuant to Code section 10201. The Department retains
15 jurisdiction pursuant to Code section 10103.

16 7. The Department has never issued a license in any capacity to Alejandro A. Harte, aka
17 Alex Harte, Alejandro Harte, and Alejandro Albert Harte ("Harte").

18 8. FPMI is a corporation formed in California, on or about January 5, 2011. According
19 to filings submitted to the California Secretary of State, Harte is the owner, President, Chief
20 Executive Officer, and a director for FPMI. Respondent CAMPBELL is listed as the Chief
21 Financial Officer for FPMI.

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1 9. T.L.A. and L.A.² ("property owners") own real property located at 24660 Lincoln
2 Ave., Murrieta, California 92562 ("Lincoln Ave. property").

3 10. On or about March 31, 2017, Harte solicited or offered to perform property
4 management activities for the property owners including, but not limited to, leasing or renting
5 or offering to lease or to rent or soliciting for prospective tenants for the Lincoln Ave. property
6 and collecting rents from real property or improvements thereon.

7 11. In or around April, 2017, Harte informed the property owners that he had found a
8 tenant, L. Kaplan ("Kaplan"), for the Lincoln Ave. property. Harte induced the property owners
9 to lease the Lincoln Ave. property to Kaplan. The property owners relied on Harte's advice,
10 representations, and recommendation to lease the Lincoln Ave. property to Kaplan. Harte did
11 not provide a copy of Kaplan's credit report or letters of reference to the property owners.
12 Harte leased the Lincoln Ave. property to Kaplan on or about April 9, 2017.

13 12. Harte represented himself to be the property manager for the Lincoln Ave. property.
14 Harte collected rents from Kaplan and handled all aspects of the property management for the
15 Lincoln Ave. property during Kaplan's tenancy at the Lincoln Ave. property.

16 13. Harte's acts which include, but are not limited to, soliciting for a tenant, leasing, and
17 collecting rents for the Lincoln Ave. property fall within the purview of Code section 10131,
18 subdivision (b), which are in violation of Code sections 10130 and 10137.

19 14. The property owners dealt with Harte, not CAMPBELL, concerning the property
20 management of the Lincoln Ave. property.

21 15. Harte failed to prepare or timely provide a property management agreement for the
22 Lincoln Ave. property to the property owners.

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24 ² Initials are used in place of individuals' full names to protect their privacy. Documents containing individuals' full names will be provided during the discovery phase of this case to Respondent(s) and/or their attorneys, after service of a timely and proper request for discovery on Complainant's counsel.

1 16. On or about March 31, 2017, the property owners provided Harte with written
2 instructions stating that no pets would be allowed in the Lincoln Ave. property. The property
3 owners later discovered that Kaplan's lease agreement for the Lincoln Ave. property failed to
4 note that no pets were allowed. Harte leased the Lincoln Ave. property to Kaplan, who had pets
5 living in the Lincoln Ave. property during Kaplan's tenancy.

6 17. Harte failed to timely provide the property owners with a copy of Kaplan's lease
7 agreement for the Lincoln Ave. property. Harte also failed to provide copies of addendums to
8 the lease agreement and other documents related to the Lincoln Ave. property. The property
9 owners were not provided with copies of the documents or given an opportunity to review or
10 approve the lease documents. The lease agreement addendums which were not provided to the
11 property owners allowed pets at the Lincoln Ave. property contrary to the property owners'
12 written instructions.

13 18. In response to the Department's investigation of the property owner's complaint,
14 Respondents provided copies of documents that appeared to be altered, backdated, or signed by
15 CAMPBELL on the property owners' behalf without the property owners' knowledge, prior
16 approval, or permission.

17 19. Kaplan stopped making timely rental payments in or around December of 2017.
18 Harte failed to timely notify the property owners that Kaplan's rent payments were late and that
19 Kaplan's rent checks had bounced for insufficient funds.

20 20. The property owners later discovered that Harte had allowed Kaplan to make
21 weekly cash payments of \$1,000 to FPMI for the rent payments. The property owners were not
22 aware of and had not approved Harte's decision to change the rent payment terms for Kaplan.

23 21. The property owners asked Harte to evict Kaplan for failure to pay rent. Harte
24 failed to timely provide copies of the notices to pay rent or quit that were allegedly given to

1 Kaplan.

2 22. Kaplan eventually vacated the Lincoln Ave. property on or about May 1, 2018.
3 Thereafter, the property owners discovered the damage done to the Lincoln Ave. property by
4 tenant Kaplan. The Lincoln Ave. property needed extensive cleaning and repairs after Kaplan
5 vacated the property. The property owners also discovered that Harte was not licensed as a
6 broker.

7 23. Harte's other company, Home & Business Construction, prepared invoices and
8 estimates for repairs to the Lincoln Ave. property, including the following: \$600.00 for trash
9 removal; \$550.00 for cleaning oil stains from the driveway, replacing light bulbs, replacing an
10 AC filter, purchasing and programming a garage remote, and purchasing a ceiling fan remote;
11 and \$1,050.00 for replacing the dishwasher that was stolen from the Lincoln Ave. property.

12 24. The property owners brought a small claims suit concerning the Lincoln Ave.
13 property against Harte, FPML, and Campbell. The suit was filed before the Superior Court of
14 California, County of Riverside, in Case No. SWS1801279. On October 1, 2018, the Court
15 entered a judgement on the property owners' claim against Harte and Respondents for a total
16 amount of \$5,059.85. Respondents and Harte have not satisfied the judgment.

17 25. Respondent CAMPBELL failed to exercise reasonable supervision of FPML
18 including the failure to establish policies, rules, procedures, and systems to review, oversee, and
19 manage as necessary to secure full compliance with the Real Estate Law.

20 Causes of Accusation

21 Harte's Unlicensed Activity

22 26. Harte, for or in expectation of compensation, engaged in the following acts: offered
23 to lease or rent, or place for rent, or solicit listings of places for rent, or solicit for prospective
24 tenants for the Lincoln Ave. property, collected rents from real property, or improvements

1 thereon, all of which require a real estate license under Code section 10131, subdivision (b), in
2 violation of Code sections 10130 and 10137.

3 Misrepresentations

4 27. The conduct, acts and/or omissions of Harte and Respondents, as described above in
5 Paragraphs 3 through 25, involved making substantial misrepresentations to the property owners
6 in violation of Code section 10176, subdivision (a).

7 Failure to Deliver Agreements/Alteration of Records

8 28. The conduct, acts and/or omissions of Harte and Respondents, as described above in
9 Paragraphs 3 through 25, involved failing to timely provide, or provide altogether, copies of the
10 property management agreement, Kaplan lease agreement, addendums, and other documents
11 related to the lease of the Lincoln Ave. property to the property owners in violation of Code
12 section 10142. Knowingly falsifying, altering, or backdating documents is in violation of Code
13 section 10148, subdivision (e).

14 FPMI and CAMPBELL

15 29. The conduct, acts and/or omissions of Harte and Respondents, as described above in
16 Paragraphs 3 through 28, constitutes cause to suspend or revoke the real estate license and
17 license rights of Respondents FPMI and CAMPBELL pursuant to Code sections 10176,
18 subdivision (a), and 10177, subdivisions (d), (j), and/or (g), for violation of Code sections
19 10130, 10137, 10142, 10148, subdivision (e), and 10176, subdivision (a).

20 CAMPBELL's Lack of Broker Supervision

21 30. The conduct, acts and/or omissions of Respondent CAMPBELL, in allowing Harte
22 and FPMI to violate Code sections 10130, 10137, 10142, 10148, subdivision (e), 10176,
23 subdivision (a), and 10177, subdivisions (d), (g), and (j), constitutes cause to suspend or revoke
24 the real estate license and license rights of Respondent CAMPBELL pursuant to Code section

1 10177, subdivision (h), for violation of Code sections 10159.2 and Regulation 2725.

2 Investigation and Enforcement Costs

3 31. Code section 10106 provides, in pertinent part, that in any order issued in resolution
4 of a disciplinary proceeding before the Department of Real Estate, the Commissioner may
5 request the administrative law judge to direct a licensee found to have committed a violation of
6 this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of
7 the case.

8 Statutory Provisions

9 32. Code section 10157 provides:

10 No real estate license gives authority to do any act specified in this chapter to any person,
11 other than the person to whom the license is issued.

12 33. Code section 10130 provides:

13 It is unlawful for any person to engage in the business of, act in the capacity of, advertise
14 as, or assume to act as a real estate broker or a real estate salesperson within this state without
15 first obtaining a real estate license from the department, or to engage in the business of, act in the
16 capacity of, advertise as, or assume to act as a mortgage loan originator within this state without
17 having obtained a license endorsement.

18 The commissioner may prefer a complaint for violation of this section before any court of
19 competent jurisdiction, and the commissioner and his or her counsel, deputies, or assistants may
20 assist in presenting the law or facts at the trial.

21 It is the duty of the district attorney of each county in this state to prosecute all violations
22 of this section in their respective counties in which the violations occur.

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1 34. Code section 10131, subdivision (b), provides:

2 A real estate broker within the meaning of this part is a person who, for a compensation or
3 in expectation of a compensation, regardless of the form or time of payment, does or negotiates to
4 do one or more of the following acts for another or others:

5 (b) Leases or rents or offers to lease or rent, or places for rent, or solicits listings of places
6 for rent, or solicits for prospective tenants, or negotiates the sale, purchase, or exchanges of leases
7 on real property, or on a business opportunity, or collects rents from real property, or improvements
8 thereon, or from business opportunities.

9 35. Code section 10137, in pertinent part, provides:

10 It is unlawful for any licensed real estate broker to retain, compensate, directly or
11 indirectly, any person for performing any of the acts within the scope of this chapter who is not a
12 licensed real estate broker, or a real estate salesperson licensed under the responsible broker
13 retaining or compensating him or her, or to retain or compensate, directly or indirectly, any
14 licensee for engaging in any activity for which a mortgage loan originator license endorsement is
15 required, if that licensee does not hold a mortgage loan originator license endorsement; provided,
16 however, that a licensed real estate broker may pay a commission to a broker of another state.

17 For a violation of any of the provisions of this section, the commissioner may temporarily
18 suspend or permanently revoke the license of the real estate licensee, in accordance with the
19 provisions of this part relating to hearings.

20 36. Code section 10142 provides:

21 When a licensee prepares or has prepared an agreement authorizing or retaining that licensee to
22 perform any of the acts for which he or she is required to hold a license, or when that licensee
23 secures the signature of any person to any contract pertaining to those services or transactions, he
24 or she shall deliver a copy of the agreement to the person signing it as soon as reasonably

1 practicable after the time the signature is obtained. The copy may be provided electronically in
2 transactions pursuant to provisions of the Uniform Electronic Transactions Act (Title 2.5
3 (commencing with Section 1633.1) of Part 2 of Division 3 of the Civil Code), where the parties
4 have agreed to conduct the transaction by electronic means.

5 37. Code section 10148, in pertinent part, provides:

6 (a) A licensed real estate broker shall retain for three years copies of all listings, deposit
7 receipts, canceled checks, trust records, and other documents executed by him or her or obtained
8 by him or her in connection with any transactions for which a real estate broker license is
9 required. The retention period shall run from the date of the closing of the transaction or from the
10 date of the listing if the transaction is not consummated. After notice, the books, accounts, and
11 records shall be made available for examination, inspection, and copying by the commissioner or
12 his or her designated representative during regular business hours; and shall, upon the
13 appearance of sufficient cause, be subject to audit without further notice, except that the audit
14 shall not be harassing in nature. This subdivision shall not be construed to require a licensed real
15 estate broker to retain electronic messages of an ephemeral nature, as described in subdivision
16 (d) of Section 1624 of the Civil Code.

17 (e) The bureau may suspend or revoke the license of any real estate broker, real estate
18 salesperson, or corporation licensed as a real estate broker, if the real estate broker, real estate
19 salesperson, or any director, officer, employee, or agent of the corporation licensed as a real
20 estate broker knowingly destroys, alters, conceals, mutilates, or falsifies any of the books,
21 papers, writings, documents, or tangible objects that are required to be maintained by this section
22 or that have been sought in connection with an investigation, audit, or examination of a real
23 estate licensee by the commissioner.

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1 38. 10176(a) provides:

2 The commissioner may, upon his or her own motion, and shall, upon the verified
3 complaint in writing of any person, investigate the actions of any person engaged in the business
4 or acting in the capacity of a real estate licensee within this state, and he or she may temporarily
5 suspend or permanently revoke a real estate license at any time where the licensee, while a real
6 estate licensee, in performing or attempting to perform any of the acts within the scope of this
7 chapter has been guilty of any of the following:

8 (a) Making any substantial misrepresentation.

9 39. Code section 10177, in pertinent part, provides:

10 The commissioner may suspend or revoke the license of a real estate licensee, delay the
11 renewal of a license of a real estate licensee, or deny the issuance of a license to an applicant,
12 who has done any of the following, or may suspend or revoke the license of a corporation, delay
13 the renewal of a license of a corporation, or deny the issuance of a license to a corporation, if an
14 officer, director, or person owning or controlling 10 percent or more of the corporation's stock
15 has done any of the following:

16 (d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing with
17 Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and
18 regulations of the commissioner for the administration and enforcement of the Real Estate Law
19 and Chapter 1 (commencing with Section 11000) of Part 2.

20 (g) Demonstrated negligence or incompetence in performing an act for which the officer,
21 director, or person is required to hold a license.

22 (h) As a broker licensee, failed to exercise reasonable supervision over the activities of
23 that licensee's salespersons, or, as the officer designated by a corporate broker licensee, failed to
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1 exercise reasonable supervision and control of the activities of the corporation for which a real
2 estate license is required.

3 (j) Engaged in any other conduct, whether of the same or of a different character than
4 specified in this section, that constitutes fraud or dishonest dealing.

5 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this
6 Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action
7 against all licenses and/or license rights of Respondents under the Real Estate Law (Part 1 of
8 Division 4 of the Business and Professions Code), for the cost of investigation and enforcement
9 as permitted by law, and for such other and further relief as may be proper under other
10 provisions of law.

11 Dated at San Diego, California this 28 day of January, 2020.

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14 VERONICA KILPATRICK
15 Supervising Special Investigator

16 cc: Freeman Property Management, Inc.
17 Helaine Beth Campbell
18 Veronica Kilpatrick
19 Sacto.
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