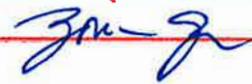


**FILED**

**APR 20 2022**

**DEPT. OF REAL ESTATE**

By 

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of:	)	
	)	DRE No. H-41983 LA
DISCREET CAPITAL, INC., and	)	
MICHAEL HAMILTON CAMP,	)	
individually and as designated officer)	)	
of Discreet Capital, Inc., and <u>ROBERT</u>	)	
<u>LINDSAY BROWN</u> ,	)	
	)	
Respondents.	)	

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DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on 02/22/2022, and the Findings of Fact set forth herein, which are based on one or more of the following: (1) The express admissions of Respondent, ROBERT LINDSAY BROWN (“Respondent”); (2) affidavits; and (3) other evidence.

This Decision revokes one or more real estate licenses on the grounds of the violation of the Real Estate Law, Part 1 commencing with Section 10000 of the Business and Professions Code (“Code”) and/or the Regulations of the Real Estate Commissioner, Title 10, Chapter 6 of the California Code of Regulations (“Regulations”).

Pursuant to Government Code Section 11521, the California Department of Real Estate (“the Department”) may order reconsideration of this Decision on petition of any party. The party seeking reconsideration shall set forth new facts, circumstances, and evidence, or errors in law or analysis, that show(s) grounds and good cause for the Commissioner to reconsider the Decision. If new evidence is presented, the party shall specifically identify the new evidence and explain why it was not previously presented. The Department’s power to order reconsideration of this Decision shall expire 30 days after mailing of this Decision, or on the effective date of this Decision, whichever occurs first. The right to reinstatement of a revoked real estate license, or to the reduction of a penalty, is controlled by Section 11522 of the Government Code. A copy of Government Code Sections 11521 and 11522 and a copy of the Commissioner’s Criteria of Rehabilitation are attached hereto for the information of respondent.

## FINDINGS OF FACT

1.

On 04/27/2021, Veronica Kilpatrick made the Accusation in her official capacity as a Supervising Special Investigator of the Department. The Accusation, Statement to Respondent, and Notice of Defense were mailed, by certified mail, return receipt requested, to Respondent's last known mailing address on file with the Department on 04/27/2021.

No Notice of Defense having been received or filed herein within the time prescribed by Section 11506 of the Government Code.

2.

On 07/01/2021, Veronica Kilpatrick made the First Amended Accusation in her official capacity as a Supervising Special Investigator of the Department. The Accusation, Statement to Respondent, and Notice of Defense were mailed, by certified mail, return receipt requested, to Respondent's last known mailing address on file with the Department on 07/01/2021.

On 02/22/2022, no Notice of Defense having been received or filed herein within the time prescribed by Section 11506 of the Government Code, Respondent's default was entered herein.

3.

Respondent is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Code as a real estate salesperson.

4.

At all times mentioned, in the City of Los Angeles, County of Los Angeles, Respondent acted as a real estate salesperson, conducting licensed activities within the meaning of Code Section 10131, subdivision (a) (sells, buys, or negotiates the purchase, sale or exchange of real property) and subdivision (b) (leases or rents or offers to lease or rent, or places for rent, or solicits listings of places for rent, or solicits for prospective tenants, or negotiates the sale, purchase, or exchanges of leases on real property, or on a business opportunity, or collects rents from real property, or improvements thereon, or from business opportunities).

5.

Attached as Exhibit "A" is a true and correct copy of the First Amended Accusation filed on 07/01/2021, which is incorporated herein as part of this Decision.

DETERMINATION OF ISSUES

5.

The allegations contained in the Accusation, incorporated herein by reference made in Paragraph 5, above, constitute cause for the suspension or revocation of all the licenses, license endorsements, and license rights of Respondent under the provisions of Business and Professions Code Sections 10159.5, 10162, 10176(e), 10177(d) and/or 10177(g).

6.

The standard of proof applied was clear and convincing evidence to a reasonable certainty.

ORDER

All licenses and licensing rights of Respondent ROBERT LINDSAY BROWN under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on MAY 20 2022.

DATED: 4. 14. 22.

DOUGLAS R. McCAULEY  
REAL ESTATE COMMISSIONER

DOUGLAS R. McCauley

1 Department of Real Estate  
2 320 West Fourth St, Ste 350  
3 Los Angeles, CA, 90013

**FILED**

**FEB 22 2022**

**DEPT. OF REAL ESTATE**

By: 

4  
5  
6  
7  
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of: ) DRE NO. *H-41983 LA*  
12 )  
13 DISCREET CAPITAL, INC, INC. )  
14 and MICHAEL HAMILTON CAMP, Individually ) DEFAULT ORDER  
15 and as designated officer of Discreet Capital, Inc., )  
16 and ROBERT LINDSAY BROWN, )  
17 Respondents. )

18 Respondent ROBERT LINDSAY BROWN, having failed to file a Notice of  
19 Defense within the time required by Section 11506 of the Government Code, is now in  
20 default. It is, therefore, ordered that a default be entered on the record in this matter.

21 IT IS SO ORDERED FEBRUARY 22, 2022.

22 DOUGLAS R. McCAULEY  
23 REAL ESTATE COMMISSIONER

24 By:   
25 CHIKA SUNQUIST  
26 Assistant Commissioner, Enforcement  
27

# EXHIBIT "A"

1 Kevin H. Sun, Counsel (SBN 276539)  
2 Department of Real Estate  
3 320 West 4th Street, Suite 350  
4 Los Angeles, California 90013-1105  
5 Telephone: (213) 576-6982  
6 Fax: (213) 576-6917  
7 Email: Kevin.Sun@dre.ca.gov  
8 *Attorney for Complainant*

**FILED**  
JUL 01 2021  
DEPT. OF REAL ESTATE  
By Zai J

9 BEFORE THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Accusation of ) No. H-41983 LA  
13 DISCREET CAPITAL, INC., )  
14 and MICHAEL HAMILTON CAMP, individually ) FIRST AMENDED  
15 and as designated officer of Discreet Capital, Inc., ) ACCUSATION  
16 and ROBERT LINDSAY BROWN, )  
17 Respondents. )

18 This First Amended Accusation amends the Accusation filed on April 7, 2021.  
19 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of  
20 California, for cause of Accusation against DISCREET CAPITAL, INC., MICHAEL  
21 HAMILTON CAMP, and ROBERT LINDSAY BROWN (collectively "Respondents") alleges  
22 as follows:

23 1.

24 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the  
25 State of California, makes this Accusation in her official capacity.

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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.

LICENSE HISTORY

(DISCREET CAPITAL, INC.)

3.

(a) Respondent DISCREET CAPITAL, INC. ("DCI") is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code, as a real estate corporation, Department of Real Estate<sup>1</sup> ("Department") license ID 01942513.

(b) The Department originally issued DCI's corporate license on October 3, 2013. DCI's license is scheduled to expire on October 2, 2021, unless renewed.

(c) According to the Department's records to date, DCI's main office address is 41700 Ivy Street, Ste C, Murrieta, CA 92562.

(d) According to the Department's records to date, DCI employs 31 salespersons under its real estate license.

(e) According to the Department's records to date, DCI maintains authorized fictitious business names of "Drive Real Estate" and "Roots Realty Group".

(MICHAEL HAMILTON CAMP)

4.

(a) Respondent MICHAEL HAMILTON CAMP ("CAMP") is presently licensed under the Code, as a real estate broker, Department license ID 01714600.

(b) The Department originally issued CAMP's broker license on November 16, 2009. CAMP's license is scheduled to expire on November 15, 2021, unless renewed.

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<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 (c) CAMP is the designated officer for DCI. His designation is scheduled to  
2 expire on October 2, 2021, unless renewed. As designated officer, CAMP is responsible for the  
3 supervision of the activities conducted on behalf of DCI by its officers, agents, real estate  
4 licensees, and employees pursuant to Section 10159.2 of the Code.

5 (d) On November 6, 2018, the Department issued Respondent a Mortgage Loan  
6 Originator ("MLO") license endorsement, National Mortgage Licensing System and Registry  
7 ("NMLS") No. 1627613. Respondent's MLO license endorsement is scheduled to expire in or  
8 about 2021.

9 (ROBERT LINDSAY BROWN)

10 5.

11 (a) Respondent ROBERT LINDSAY BROWN ("BROWN") is presently  
12 licensed under the Code, as a real estate salesperson, Department license ID 00893489.

13 (b) The Department originally issued BROWN's salesperson license on or about  
14 August 9, 1985. BROWN's license is scheduled to expire on July 7, 2024, unless renewed.

15 (c) According to the Department's records to date, from October 17, 2018  
16 through March 16, 2020, BROWN was employed by DCI as a salesperson.

17 6.

18 At all times relevant herein Respondents were engaged in the business of, acted  
19 in the capacity of, advertised or assumed to act as a real estate corporation, within the meaning  
20 of Section 10131(a) and (b) of the Code. Respondents' activities included the leasing or renting  
21 of real property and the collection of rents and security deposits for real property on behalf of  
22 others for compensation or in expectation of compensation.

23 (AUDIT SD200008)

24 7.

25 On or about December 28, 2020, the Department completed an audit  
26 examination of the books and records of DCI pertaining to the real estate activities described in  
27 Paragraph 6 above. The audit examination covered the period of time from November 1, 2018,

1 through March 16, 2020 ("audit period"). The primary purpose of the examination was to  
2 determine whether Respondents conducted real estate activities in accordance with the Real  
3 Estate Law. The audit examination revealed violations of the Code and the Regulations as set  
4 forth in the following paragraphs, and more fully discussed in Audit No. SD200008, and the  
5 exhibits and work papers attached to said audit report.

6 8.

7 At all times mentioned herein, and in connection with the property management  
8 activities described in Paragraph 6, above, BROWN, for DCI, accepted or received funds,  
9 including funds in trust ("trust funds") from or on behalf of actual or prospective parties to  
10 transactions handled by Respondents and thereafter made deposits and/or disbursements of such  
11 funds. According to the documents provided, DCI maintained 1 bank account for handling of  
12 the receipts and disbursements of funds during the audit period in connection with the property  
13 management activities.

14 The bank account is as follows:

15 Bank Account 1 ("BA 1")

16 Bank: BBVA Compass Bank  
17 Account Name: West Coast Property Managers  
18 Account Number: xxxxxxxx9400  
19 Signatories: Robert L Brown, Nicholas Brown  
20 Signatures Required: One  
21 Purpose: BA 1 was maintained to handle trust funds for DCI's property  
22 management activities for multiple beneficiaries.

23 Violations of the Real Estate Law

24 9.

25 The audit examination revealed violations of the Code and the Regulations, as  
26 set forth in the following paragraphs, and more fully discussed in Audit Report No. LA180128,  
27 and the exhibits and work papers attached to the audit report:

1                   (a) **Handling of Trust Funds/Trust Fund Deposited into Salesperson's Bank**  
2 **Account (Code section 10145(c)).**

3                   From November 1, 2018 to March 16, 2020, BROWN accepted trust funds from  
4 others in connection with the property management activity on behalf of DCI. BROWN did not  
5 deliver said trust funds to DCI, CAMP, and/or deposit trust funds into DCI's trust fund bank  
6 account. The trust funds were instead deposited into BA 1, which is a bank account associated  
7 with West Coast Property Managers.

8                   (b) **Trust Fund Handling For Multiple Beneficiaries (Code section 10145**  
9 **and Regulations section 2832.1).**

10                  Based on an examination of BA 1's records, there was a minimum trust fund  
11 shortage of \$1,945.47 as of March 16, 2020 in violation of Code section 10145 and Regulations  
12 section 2832.1. There is no evidence that Respondents were given written consent from the  
13 owners of the trust funds to allow Respondents to reduce the balance of the funds in BA 1 to an  
14 amount less than the aggregate trust fund liabilities of DCI to all owners of the trust funds.

15                  (c) **Trust Fund Records to be Maintained (Code section 10145 and**  
16 **Regulations section 2831).** Respondents failed to maintain complete and accurate columnar  
17 record for all trust funds received and disbursed (control record) for BA 1, which was used for  
18 property management activities during the audit period in violation of Code section 10145 and  
19 Regulations section 2831. The control record maintained by Respondents had inaccurate daily  
20 balances of trust fund, missing entries, and was not in chronological order.

21                  (d) **Separate Records for Each Beneficiary (Code section 10145 and**  
22 **Regulations section 2831.1).** Respondents failed to maintain complete and accurate separate  
23 records for each beneficiary or transaction of all trust fund receipts and disbursements for BA 1  
24 in connection with DCI's property management activities during the audit period in violation of  
25 Code section 10145 and Regulations section 2831.1. The separate records maintained by  
26 Respondents had inaccurate daily balances of trust fund, missing entries, and was not in  
27 chronological order.

1                   (e) **Trust Account Reconciliation (Code section 10145 and Regulations**  
2 **section 2831.2)**. During the audit period, DCI did not perform and maintain a complete and  
3 accurate monthly reconciliation of the balance of all separate beneficiary and/or transaction  
4 records to the balance of the records of all trust funds received and disbursed for BA 1 in  
5 violation of Code section 10145 and Regulations section 2831.2.

6                   (f) **Trust Fund Handling/Account Designation (Code section 10145 and**  
7 **Regulations section 2832)**. Based on an examination of BA 1's records, BA 1 was not set up in  
8 the name of DCI or its fictitious business name "Drive Real Estate" as trustee. BA 1 was set up  
9 instead in the name of "West Coast Property Managers." DCI did not have control over the  
10 trust funds collected in connection with the property management activity.

11                   (g) **Trust Account Withdrawal (Code section 10145 and Regulations section**  
12 **2834)**. According to BA 1's records, CAMP was not a signatory to BA 1. CAMP did not retain  
13 a written authorization on file to allow BROWN to sign on and make withdrawals from BA 1.  
14 BA 1's bank signature card contained the signatory Nicholas Brown (non-employee of DCI,  
15 non-licensee), who was allowed to sign and make withdrawals from BA 1.

16                   (h) **Commingling/Excess Broker's Funds Held in Bank Account that**  
17 **Handled Trust Funds (Code sections 10145 and 10176(e) and Regulations section**  
18 **2835(a))**. DCI kept more than \$200 of its own funds in BA 1. As of March 16, 2020, DCI had a  
19 balance of \$289.24 of its own funds in BA 1.

20                   (i) **Use of Unlicensed Fictitious Name (Code section 10159.5 and Regulations**  
21 **section 2731)**. During the audit period, DCI used the unlicensed fictitious business names  
22 "West Coast Property Managers" and "West Coast Management" in connection with the  
23 property management activities without first obtaining authorization from the Department.  
24 These fictitious business names do not show up in the Department's records as a licensed  
25 fictitious business name.

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27 ///





