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DIANE LEE, Counsel (SBN 247222)
Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013

Telephone: (213) 576-6982
(Direct) (213) 576-6907

FILED
OCT 31 2024
DEPT OF REAL ESTATE
By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)	No. H-42862 LA
)	
JAMES C. GRELL,)	FIRST AMENDED
)	ACCUSATION
Respondent.)	
)	

This First Amended Accusation amends the Accusation filed on or about June 13, 2024. The Complainant, Jason Parson, a Supervising Special Investigator of the State of California for cause of Accusation against Respondent JAMES C. GRELL aka James Craig Grell (“Respondent”), is informed and alleges as follows:

1.

The Complainant, Jason Parson, a Supervising Special Investigator of the State of California, makes this First Amended Accusation in his 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 unless otherwise specified.

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(LICENSE AND CORPORATION HISTORY)

Broker License

3.

Respondent is presently licensed and/or has license rights under the Real Estate Law as a real estate broker (DRE license number 00530909). Respondent was originally licensed as a real estate broker on or about October 27, 1984, and has been licensed since then. Respondent's fictitious business name has been Total Services Realty from on or about October 2, 2000 through the present. Respondent has not had any other fictitious business names registered with the Department of Real Estate from 2016 through the present.

MLO License Endorsement

4.

From on or about November 17, 2023 through the present, Respondent has been licensed with an individual (MU4) mortgage loan originator ("MLO") license endorsement (NMLS license number 1518070), and authorized to represent 3H Funding Group, Inc. (DRE license number 02189790 and NMLS license number 2520989) and First Capital Security Mortgage, Inc. (DRE license number 02220692 and NMLS license number 2520565).

First Capital Security Corporation

5.

From on or about April 28, 2016 through June 30, 2021, First Capital Security Mortgage Corporation had been licensed under the Real Estate Law as a real estate corporate broker (DRE license number 02002212 and CA corporate number 3691061). During this same time, Respondent was its designated officer, and its address of record was 19360 Rinaldi St., #147, Northridge, CA 91326 ("Rinaldi St. Address").

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6.

From at least November 30, 2016 through August 3, 2018, First Capital Security Mortgage Corporation’s chief financial officer (“CFO”) was Respondent and its chief executive officer (“CEO”) was William Hankins (“Hankins”). First Capital Security Mortgage Corporation is currently suspended by the California Secretary of State.

3H Funding Group, Inc.

7.

From on or about June 30, 2022 through the present, 3H Funding Group, Inc. had been licensed under the Real Estate Law as a real estate corporate broker (DRE license number 02189790 and CA corporate number 5050536). During this same time, Respondent has been its designated officer, and its address of record has been the Rinaldi St. Address.

8.

From at least May 23, 2022 through the present, 3H Funding Group, Inc.’s secretary has been Respondent, and its CFO has been Hankins.

First Capital Security Mortgage, Inc.

9.

From at least July 20, 2023 through the present, First Capital Security Mortgage, Inc. had been licensed under the Real Estate Law as a real estate corporate broker (DRE license number 02220692 and CA corporate number 5703659). During this same time, Respondent was its designated officer.

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(CAUSES OF ACTION)

10.

From on or about November 28, 2020 to June 23, 2021, Respondent was a dual agent for the sale of the property known as 5817 Cleon Ave., North Hollywood, CA 91601 ("Property"). The sellers were D. Vinyard and L. Vinyard ("Sellers"), and the buyer was initially 25/8 Acquisition and Development, LLC ("25/8 ADL") then LHW Construction and Development, LLC ("LHW").¹ Both 25/8 ADL and LHW acted through Hankins. Hankins is 25/8 ADL's chief executive officer ("CEO") and LHW's member. From at least January 1, 2017 through the present, Hankins has not been licensed with the Department of Real Estate in any capacity.

11.

Sellers first became aware of Respondent through Hankins, and agreed to let Respondent also represent them in the sale of the Property. Sellers and Hankins communicated directly with each other without Respondent and agreed upon the initial terms of the sale.

12.

Sometime between December 2, 2020 and December 7, 2020, inclusive, Hankins, but not Respondent, presented an offer in a California Residential Purchase Agreement and Joint Escrow Instructions (RPA-CA Revised 12/18) form to Sellers. This offer named the buyer as "25/8 Acquisition and Development, LLC and/or Assignees," and included, but was not limited to, the following terms and conditions:

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¹ At all pertinent times herein, 25/8 ADL's and LHW's address of record has been the Rinaldi St. Address, the same addresses of record for the First Capital Security Corporation and 3H Funding Group, Inc., of which Respondent GRELL was/is the designated officer.

- 1 • Respondent represented both Sellers and buyer,
- 2 • The buyer would purchase the Property for \$1,200,000 with all cash,
- 3 • Close of escrow would occur 180 days after acceptance, and
- 4 • Sellers would pay for a natural hazard zone disclosure report to be prepared
- 5 by "Buyer's choice,"
- 6 • Sellers would pay for the owner's title insurance, county transfer tax, and
- 7 city transfer tax, and
- 8 • Sellers would provide statutory and other disclosures, including, but not
- 9 limited to, Real Estate Transfer Disclosure Statement, Agent Visual
- 10 Inspection Disclosure, and Seller Property Questionnaire, within seven (7)
- 11 days of Sellers accepting the buyer's offer.

12 13.

13 On or about December 7, 2020, Sellers accepted the buyer's offer, as described
14 above. As a result, close of escrow was set to be on or about June 5, 2021. Respondent did not
15 have any contact, much less any discussions to explain the offer or any of its terms, with the
16 Sellers, prior to on or about May 17, 2021.

17 14.

18 Respondent failed to provide several disclosures to Sellers. These disclosures
19 include, but are not limited to, Real Estate Transfer Disclosure Statement, Agent Visual
20 Inspection Disclosure, and Seller Property Questionnaire, Agency Disclosure, and Dual
21 Agency Disclosure.

22 15.

23 On or about May 13, 2021, Sellers and Hankins on behalf of both 24/8 ADL and
24 LHW seemingly signed an Assignment of Agreement Addendum (C.A.R. Form AOAA, 11/14)
25 assigning all of 24/8 ADL's interest as the buyer to LHW. However, Sellers' signatures were
26 forged. This Assignment of Agreement Addendum identifies Respondent as the licensee who
27 generated it.

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16.

Sometime between May 13, 2021 and May 17, 2021, Sellers discovered their signatures had been forged on the Assignment of Agreement Addendum, described above.

17.

On or about May 17, 2021, Sellers called Respondent to confront him about Sellers' signatures being forged on the Assignment of Agreement Addendum, inform Respondent they would only sign documents in person with a notary public rather than via electronic signature (i.e., Docu-Sign), and demand Respondent draft documents on their behalf seeking reimbursements and "per diem" payments from Buyer. This was the Sellers' first direct contact with Respondent. All prior communications were with Hankins.

18.

On or about May 18, 2021, Sellers e-mailed their demands to Respondent. These demands included, but were not limited to, what Sellers told Respondent in their May 17, 2021 phone call, described above.

19.

On or about May 19, 2021, Respondent met Sellers, Hankins, and a notary public at the Property. It was Respondent's first time meeting Sellers. At this visit, they executed Addendum No. 3 and Amendment of Existing Agreement Terms No. 1.

- a. Addendum No. 3 provided, "Escrow closing date shall be on or before June 4, 2021."
- b. Amendment of Existing Agreement Terms No. 1 provided Buyer would pay the following to Sellers: \$43,500 reimbursement for Sellers' good faith deposit on their attempted purchase of another property, \$712 reimbursement for the home inspection, and \$910 reimbursement for the home appraisal, \$250 per day as "per diem" until June 4, 2021 (the close of escrow's deadline), and up to \$3,750 to extend Sellers' loan for another property.

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20.

At the same meeting on or about May 19, 2021, Sellers and Hankins on behalf of both 24/8 ADL and LHW signed and dated an Assignment of Agreement Addendum.

21.

On or about June 4, 2021, the buyer, LHW, failed to meet the close of escrow deadline agreed upon in Addendum No. 3, described above.

22.

On or about June 9, 2021 and June 15, 2021, Sellers demanded Respondent draft a Notice to Perform to give to Hankins and/or LHW. However, Respondent refused and failed to draft a Notice to Perform.

23.

On or about June 14, 2021 and June 18, 2021, Respondent assured Sellers that sufficient funds would be wired to the escrow company to cover the purchase of the Property. On or about June 18, 2021, Respondent represented to Sellers that funds were disbursed in two (2) wires to the escrow company the day before. However, the escrow company received one (1) wire on or about June 18, 2021 and a second wire on or about June 22, 2021.

24.

Sellers sought Respondent's advice and help on recovering funds owed by the buyer to the Sellers as stated in Amendment of Existing Agreement Terms No. 1, including, but not limited to, per diem monies, but Respondent refused and/or failed to do so.

25.

On or about June 23, 2021, escrow closed, and the Property was sold to LHW.

26.

At no time did Respondent (and/or Hankins) notify the Sellers of Respondent's business relationship(s) with Hankins aside from Respondent representing Hankins as a real estate agent.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this First Amended Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all license(s) and/or license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) of Respondent JAMES C. GRELL, including, but not limited to, his broker license and MLO license endorsement license; the cost of investigation and enforcement as permitted by law; and for such other and further relief as may be proper under applicable provisions of law.

Dated at Los Angeles, California: October 31, 2024.



Jason Parson
Supervising Special Investigator

cc: James C. Grell
Jason Parson
Sacto.

1 DIANE LEE, Counsel (SBN 247222)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, California 90013

4 Telephone: (213) 576-6982
5 (Direct) (213) 576-6907

FILED
JUN 13 2024
DEPT. OF REAL ESTATE
By _____

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H-42862 LA
12)
13 JAMES C. GRELL,) ACCUSATION
14 Respondent.)
15)

16 The Complainant, Ray Dagnino, a Supervising Special Investigator of the State
17 of California for cause of Accusation against Respondent JAMES C. GRELL aka James Craig
18 Grell (“GRELL”), is informed and alleges as follows:

19 1.

20 The Complainant, Ray Dagnino, a Supervising Special Investigator of the State
21 of California, makes this Accusation in his official capacity.

22 2.

23 All references to the “Code” are to the California Business and Professions
24 Code, and all references to “Regulations” are to Title 10, Chapter 6, California Code of
25 Regulations unless otherwise specified.

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1 (LICENSE HISTORY)

2 3.

3 Respondent GRELL is presently licensed and/or has license rights under the
4 Real Estate Law as a real estate broker (license number 00530909). Respondent GRELL was
5 originally licensed as a real estate broker on or about October 27, 1984, and has been licensed
6 since then. Respondent GRELL's fictitious business name has been Total Services Realty from
7 on or about October 2, 2000 through the present. Respondent GRELL has not had any other
8 fictitious business names registered with the Department of Real Estate from 2016 through the
9 present.

10
11 (CAUSES OF ACTION)

12 4.

13 From on or about November 28, 2020 to June 23, 2021, Respondent was a dual
14 agent for the sale of the property known as 5817 Cleon Ave., North Hollywood, CA 91601
15 ("Property"). The sellers were D. Vinyard and L. Vinyard ("Sellers"), and the buyer was
16 initially 25/8 Acquisition and Development, LLC ("25/8 ADL") then LHW Construction and
17 Development, LLC ("LHW"). Both 25/8 ADL and LHW acted through William Hankins
18 ("Hankins") who organized both LLCs. Hankins is 25/8 ADL's chief executive officer
19 ("CEO") and LHW's member. From at least January 1, 2020 through the present, Hankins was
20 not licensed with the Department of Real Estate in any capacity.

21 5.

22 Sellers first became aware of Respondent through Hankins, and agreed to let
23 Respondent also represent them in the sale of the Property. Sellers and Hankins communicated
24 directly with each other and agreed upon initial terms of the sale.

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1 6.

2 Sometime between December 2, 2020 and December 7, 2020, inclusive,
3 Hankins, but not Respondent, presented an offer in a California Residential Purchase
4 Agreement and Joint Escrow Instructions (RPA-CA Revised 12/18) form to Sellers. This offer
5 named the buyer as "25/8 Acquisition and Development, LLC and/or Assignees," and included,
6 but was not limited to, the following terms and conditions:

- 7 • Respondent represented both Sellers and buyer,
- 8 • The buyer would purchase the Property for \$1,200,000 with all cash,
- 9 • Close of escrow would occur 180 days after acceptance, and
- 10 • Sellers would pay for a natural hazard zone disclosure report to be prepared
11 by "Buyer's choice,"
- 12 • Sellers would pay for the owner's title insurance, county transfer tax, and
13 city transfer tax, and
- 14 • Sellers would provide statutory and other disclosures, including, but not
15 limited to, Real Estate Transfer Disclosure Statement, Agent Visual
16 Inspection Disclosure, and Seller Property Questionnaire, within seven (7)
17 days of Sellers accepting the buyer's offer.

18 7.

19 On or about December 7, 2020, Sellers accepted the buyer's offer, as described
20 above. As a result, close of escrow was set to be on or about June 5, 2021. Respondent did not
21 have any contact, much less any discussions to explain the offer or any of its terms, with the
22 Sellers, prior to on or about May 17, 2021.

23 8.

24 Respondent failed to provide several disclosures to Sellers. These disclosures
25 include, but are not limited to, Real Estate Transfer Disclosure Statement, Agent Visual
26 Inspection Disclosure, and Seller Property Questionnaire, Agency Disclosure, and Dual
27 Agency Disclosure.

1 9.

2 On or about May 13, 2021, Sellers and Hankins on behalf of both 24/8 ADL and
3 LHW seemingly signed an Assignment of Agreement Addendum (C.A.R. Form AOAA, 11/14)
4 assigning all of 24/8 ADL's interest as the buyer to LHW. This Assignment of Agreement
5 Addendum was generated by Respondent. However, Sellers' signatures were forged.

6 10.

7 On or soon before May 17, 2021, Sellers discovered their forged signatures on
8 the Assignment of Agreement Addendum.

9 11.

10 On or about May 17, 2021, Sellers called Respondent to confront him about
11 Sellers' signatures being forged on the Assignment of Agreement Addendum, inform
12 Respondent they would only sign documents in person with a notary public rather than via
13 electronic signature (i.e., Docu-Sign), and demand Respondent draft documents on their behalf
14 seeking reimbursements and "per diem" payments from Buyer. This was the first direct contact
15 between Respondent and Sellers. Prior communications were through Hankins.

16 12.

17 On or about May 18, 2021, Sellers e-mailed their demands to Respondent.
18 These demands included, but were not limited to, what Sellers told Respondent in their May 17,
19 2021 phone call, described above.

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21 On or about May 19, 2021, Respondent met Sellers, Hankins, and a notary
22 public at the Property. It was Respondent's first time meeting Sellers. At this visit, they
23 executed Addendum No. 3 and Amendment of Existing Agreement Terms No. 1.

24 a. Addendum No. 3 provided, "Escrow closing date shall be on or before
25 June 4, 2021."

26 b. Amendment of Existing Agreement Terms No. 1 provided Buyer would
27 pay the following to Sellers: \$43,500 reimbursement for Sellers' good faith deposit on their

1 attempted purchase of another property, \$712 reimbursement for the home inspection, and \$910
2 reimbursement for the home appraisal, \$250 per day as “per diem” until June 4, 2021 (the close
3 of escrow’s deadline), and up to \$3,750 to extend Sellers’ loan for another property.

4 14.

5 At the same meeting on or about May 19, 2021, Sellers and Hankins on behalf
6 of both 24/8 ADL and LHW signed and dated an Assignment of Agreement Addendum.

7 15.

8 On or about June 4, 2021, the buyer, LHW, failed to meet the close of escrow
9 deadline agreed upon in Addendum No. 3, described above.

10 16.

11 On or about June 9, 2021 and June 15, 2021, Sellers e-mailed and/or texted
12 Respondent requesting Respondent draft a Notice to Perform to give to Hankins and/or LHW.
13 However, Respondent refused and failed to draft a Notice to Perform.

14 17.

15 On or about June 14, 2021 and June 18, 2021, Respondent assured Sellers that
16 sufficient funds would be wired to the escrow company to cover the purchase of the Property.
17 On or about June 18, 2021, Respondent represented to Sellers that funds were disbursed in two
18 (2) wires to the escrow company the day before. However, the escrow company received one
19 (1) wire on or about June 18, 2021 and a second wire on or about June 22, 2021.

20 18.

21 Sellers sought Respondent’s advice and help on recovering funds owed by the
22 buyer to the Sellers as stated in Amendment of Existing Agreement Terms No. 1, including, but
23 not limited to, per diem monies, but Respondent refused and/or failed to do so.

24 19.

25 On or about June 23, 2021, escrow closed, and the Property was sold to LHW.

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20.

Throughout the transaction, Respondent failed his fiduciary duties in representing the Sellers.

21.

The conduct, acts, and/or omissions of Respondent GRELL, as set forth in paragraphs 4 to 20, above, are in violation of Code sections 10176(a) (substantial misrepresentation), 10177(g) (negligence or incompetence), and/or 10176(i)/10177(j) (fraud or dishonest dealing).

22.

Code section 10106 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 license(s) and/or license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) of Respondent JAMES C. GRELL, the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under applicable provisions of law.

Dated at Los Angeles, California: June 13, 2024.

Ray J. Dagnino

Ray Dagnino
Supervising Special Investigator

cc: James C. Grell
Jason Parson/Ray Dagnino
Sacto.