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FILED

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DEPT. OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)	No. H-42986 LA
)	
)	
B2RE CORPORATION; and)	
)	ACCUSATION
RYAN DANIEL MOREHEAD,)	
individually and as designated officer)	
of B2RE Corporation,)	
)	
Respondents.)	

The Complainant, Jason Parson, a Supervising Special Investigator of the State of California, acting in his official capacity, for cause of Accusation against Respondents B2RE CORPORATION ("BC") and RYAN DANIEL MOREHEAD ("MOREHEAD"), individually and as designated officer of B2RE Corporation, is informed and alleges as follows:

1.

The Complainant, Jason Parson, acting in his official capacity as Supervising Special Investigator of the State of California, makes this Accusation.

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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 unless otherwise specified.

(License History)

3.

a. Respondent BC 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 (license no. 02037943). BC was originally licensed as a real estate corporation on or about June 5, 2017, and has been so licensed through the present. Respondent BC's designated officer has been Respondent MOREHEAD from on or about June 5, 2017 through the present. Michael Craig Brooks ("Brooks") was Respondent BC's officer from on or about June 5, 2017 to September 8, 2023.¹ 12409 Walsh Ave., Los Angeles, CA 90066 ("Walsh Address") has been Respondent BC's main office address since on or about December 4, 2017 and mailing address since on or about June 5, 2017. Respondent BC's fictitious business names were/are as follows:²

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¹ Brooks is presently licensed and/or has license rights as a real estate broker (license no. 01830060). Brooks has been licensed as a real estate broker from on or about December 31, 2007 and has been so licensed since then.

² BC is not the same licensee as B Squared Realty (license no. 01845279) even though a few of BC's fictitious business names used to begin with "B Squared" and MOREHEAD was the broker associate of B Squared Realty from on or about January 12, 2018 to June 12, 2023.

Fictitious Business Names	Effective Dates
B Squared Property Management Westside	December 4, 2017 to December 18, 2023
B Squared Real Estate Westside	December 4, 2017 to December 18, 2023
B Squared Realty Westside	February 13, 2018 to December 18, 2023
B2RE PM Westside	December 4, 2017 through the present
B2RE Property Management	December 4, 2017 through the present
B2RE Property Management Westside	December 4, 2017 through the present
B2RE Realty	December 4, 2017 through the present
B2RE Westside	December 4, 2017 through the present

From at least July 31, 2023 to March 6, 2024, Respondent BC's chief executive officer was Morehead, and Respondent BC's chief financial officer was Brooks. From on or about March 7, 2024 through the present, Respondent BC's chief executive officer and chief financial officer has been Morehead.

b. Respondent MOREHEAD 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 broker (license no. 01374532). MOREHEAD has been licensed as a real estate broker from on or about August 12, 2015 through the present. Previously, MOREHEAD was licensed as a real estate salesperson from on or about March 19, 2003 to August 11, 2015. MOREHEAD's main office address has been 4587 Centinela Ave., Los Angeles, CA 90066 ("Centinela Address") from on or about July 17, 2017 through the present. MOREHEAD's mailing address has been the Walsh Address from on or about August 4, 2017 through the present. The Centinela Address and Walsh Address identify the same building at the corner of Walsh Ave. and Centinela Ave.

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(Real Estate Activities)

4.

At all times mentioned, in the County of Los Angeles, Respondents BC and MOREHEAD engaged in the business of a real estate broker conducting licensed activities within the meaning of Code section 10131(b) (“[l]eases 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”).

(Trust Fund Audit)

5.

On or about December 21, 2023, the Department of Real Estate completed an audit examination of the books and records of BC to determine whether BC and MOREHEAD handled and accounted for trust funds and conducted their real estate activities in accordance with the Real Estate Law and Regulations. The audit examination covered a period of time beginning on August 1, 2021 and ending on June 30, 2023. The audit examination revealed violations of the Code and the Regulations set forth in the following paragraphs, and more fully discussed in Audit Report LA220138 and the exhibits and work papers attached to said audit report.

Trust Account

6.

At all times mentioned, in connection with the activities described in Paragraph 4, above, Respondents BC and MOREHEAD accepted or received funds including funds in trust (“trust funds”) from or on behalf of actual or prospective parties, such as owners of real

1 property, and thereafter made deposits and/or disbursements of such funds. From time to time
2 herein mentioned, during the audit period, said trust funds were deposited and/or maintained
3 by BC and MOREHEAD in the following bank account:

4 *****4099

5 First Republic Bank

6 9593 Wilshire Blvd.

7 Beverly Hills, CA 90212

TA 1

7.

8 In the course of activities described in Paragraphs 4 and 6, above, and during the
9 audit examination period in Paragraph 5, above, Respondents BC and MOREHEAD acted in
10 violation of the Code and the Regulations as set forth below:

11 (a) Permitted, allowed, or caused the disbursement of trust funds from the trust
12 account TA 1 where the disbursement of funds reduced the total of aggregate funds in TA 1, to
13 an amount which, on June 30, 2023, was a minimum shortage of \$4,934.84 without first
14 obtaining the prior written consent of the owners of said funds, in violation of Code section
15 10145 and Regulations sections 2832.1. Bank records showed \$1,645.00 of the \$4,934.84 to be
16 a "bank error." The shortages of \$87.66 and \$3,202.18 were cured in or about August 2023 and
17 July 2023, respectively.

18 (b) Failed to maintain an accurate and complete record of all trust funds received
19 and disbursed (control record) for TA 1, in violation of Code section 10145 and Regulations
20 section 2831.

21 (c) Failed to perform and maintain accurate monthly reconciliations comparing
22 the balance of all separate beneficiary or transactions records (separate records) to the balance
23 of the record of all trust funds received and disbursed (control record) for TA 1, in violation of
24 Code section 10145 and Regulations section 2831.2.

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1 (d) MOREHEAD failed to exercise reasonable supervision and control over the
2 licensed activities of BC and its employees to ensure full compliance with the Real Estate Laws
3 and Commissioner's Regulations, and failed to establish policies, rules, procedures, and systems
4 to review, oversee, and manage transactions, in violation of Code section 10159.2 and
5 Regulations section 2725.

6 8.

7 The conduct of Respondents BC and MOREHEAD, as described in
8 Paragraph 10, above, violated the Code and the Regulations as set forth below:

9 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
10 7(a)	Code section 10145 and Regulations sections 2832.1
11 7(b)	Code section 10145 and Regulations section 2831
12 7(c)	Code section 10145 and Regulations section 2831.2
13 7(d)	Code section 10159.2 and Regulations section 2725

14 The foregoing violations constitute cause for discipline of the real estate license and license
15 rights of Respondents BC and MOREHEAD under the provisions of Code sections 10159.2,
16 10177(d), 10177(g), and 10177(h).

17
18 (COSTS)

19 9.

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

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10.

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

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 the licenses and license rights of B2RE CORPORATION and RYAN DANIEL MOREHEAD, individually and as designated officer of B2RE Corporation, under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code), for the cost of investigation and enforcement pursuant to Code section 10106 and as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law, including, but not limited to, costs of audit pursuant to Code section 10148(b).

Dated at Los Angeles, California: November 4, 2024


Jason Parson
Supervising Special Investigator

cc: B2RE Corporation
Ryan Daniel Morehead
Jason Parson
Sacto
Enforcement
Audits – Kaori Kuboniwa