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FILED
SEP 04 2026
DEPT. OF REAL ESTATE
By- [REDACTED]

9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 BUSINESS AND CONSUMER SERVICES AGENCY
11 STATE OF CALIFORNIA

12 In the Matter of the Accusation against

DRE No. H-43286 LA

13 THE R.R. NETWORK and
14 RICHARD ANTHONY REYES, JR., individually,
15 and as Designated Officer for The R.R. Network,

A C C U S A T I O N

16 Respondents.

17 The Complainant, Ray Dagnino, a Supervising Special Investigator for the Department of
18 Real Estate¹ ("Department") of the State of California, for cause of Accusation against THE R.R.
19 NETWORK and RICHARD ANTHONY REYES, JR., individually, and as Designated Officer for
20 The R.R. Network ("Respondent"), alleges as follows:

- 21 1. The Complainant, Ray Dagnino, acting in his official capacity as a Supervising
22 Special Investigator, makes this Accusation against Respondent.
- 23 2. All references to the "Code" are to the California Business and Professions Code, all
24 references to the "Real Estate Law" are to Part 1 of Division 4 of the Code, and all references to
25 "Regulations" are to the Regulations of the Real Estate Commissioner, Title 10, Chapter 6,

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27 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 California Code of Regulations.

2 STATUTORY PROVISIONS

3 Regulation 2742, subdivision (c), provides:

4 (a) An applicant for an original broker license for a domestic corporation shall
5 submit with the application, a Certificate of Status (Domestic Corporation)
6 executed by the California Secretary of State not earlier than 30 days before the
7 date of mailing or delivering the application to the headquarters office of the
8 Bureau.

9 However, if the applicant is a domestic corporation which filed its original
10 Articles of Incorporation not earlier than six (6) months before the date of mailing
11 or delivering the application to the headquarters office of the Bureau, Articles of
12 Incorporation executed by the California Secretary of State may be submitted
13 instead of a Certificate of Status.

14 (b) An applicant for an original broker license for a foreign corporation shall
15 submit with the application, a Certificate of Qualification or a Certificate of Good
16 Standing (Foreign Corporation) executed by the California Secretary of State not
17 earlier than 30 days before the date of mailing or delivering the application to the
18 headquarters office of the Bureau.

19 (c) A corporation licensed under Section 10211 of the Code shall not engage in
20 the business of a real estate broker while not in good legal standing with the
21 Office of the Secretary of State.

22 Code section 10176 provides, in pertinent parts:

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

(a) Making any substantial misrepresentation.

(f) Claiming, demanding, or receiving a fee, compensation, or commission under
any exclusive agreement authorizing a licensee to perform any acts set forth in
Section 10131 for compensation or commission where the agreement does not
contain a definite, specified date of final and complete termination.

(i) Any other conduct, whether of the same or of a different character than
specified in this section, which constitutes fraud or dishonest dealing."

28 Code section 10177 provides, in pertinent parts:

29 "The commissioner may suspend or revoke the license of a real estate licensee,
30 delay the renewal of a license of a real estate licensee, or deny the issuance of a
31 license to an applicant, who has done any of the following, or may suspend or
32 revoke the license of a corporation, delay the renewal of a license of a corporation,

1 or deny the issuance of a license to a corporation, if an officer, director, or person
2 owning or controlling 10 percent or more of the corporation's stock has done any of
the following:

3 (a) Procured, or attempted to procure, a real estate license or license renewal, for
4 themselves or a salesperson, by fraud, misrepresentation, or deceit, or by making a
material misstatement of fact in an application for a real estate license, license
renewal, or reinstatement.

5 (d) Willfully disregarded or violated this part or Chapter 1 (commencing with
6 Section 11000) of Part 2 or the rules and regulations of the commissioner for the
administration and enforcement of this part and Chapter 1 (commencing with
7 Section 11000) of Part 2.

8 (f) Acted or conducted themselves in a manner that would have warranted the denial of
9 their application for a real estate license, either had a license denied or had a license
10 issued by another agency of this state, another state, or the federal government
11 revoked, surrendered, or suspended, or received an order of debarment, for acts that,
12 if done by a real estate licensee, would be grounds for the suspension or revocation
13 of a California real estate license, if the action of denial, revocation, surrender,
14 suspension, or debarment by the other agency or entity was taken only after giving
the licensee or applicant fair notice of the charges, an opportunity for a hearing, and
other due process protections comparable to the Administrative Procedure Act
(Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with
Section 11370), and Chapter 5 (commencing with Section 11500) of Part 1 of
Division 3 of Title 2 of the Government Code), and only upon an express finding of
a violation of law by the agency or entity.

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

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

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

20 STATEMENT OF FACTS

21 Licenses

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

24 4. On January 17, 2020, the Department issued a real estate corporation license to
25 Respondent THE R.R. NETWORK ("TRRN"), License ID 02110927. Unless renewed, Respondent
26 TRRN's license is scheduled to expire on January 16, 2028. Respondent has renewal rights
27 pursuant to Code section 10201. The Department retains jurisdiction pursuant to Code section

1 10103. Respondent TRRN is not currently licensed to do business under any fictitious business
2 names.

3 5. On October 1, 2018, the Department issued a real estate broker license to
4 Respondent RICHARD ANTHONY REYES, JR. ("REYES"), License ID 01847699. Unless
5 renewed, Respondent REYES' license is scheduled to expire on September 30, 2030. Respondent
6 has renewal rights pursuant to Code section 10201. The Department retains jurisdiction pursuant to
7 Code section 10103. Respondent REYES is not currently licensed to do business under any
8 fictitious business names.

9 6. Respondent REYES was formerly licensed as a real estate salesperson from
10 approximately August 15, 2008, through September 30, 2018.

11 7. From January 17, 2020, through the present, Respondent TRRN has been licensed
12 by the Department as a corporate real estate broker, by and through Respondent REYES, as
13 designated officer-broker of Respondent TRRN to qualify said corporation and to act for said
14 corporation as a real estate broker.

15 8. From January 17, 2020, through the present, REYES has been the designated
16 officer-broker for Respondent TRRN, pursuant to Code section 10211. Pursuant to Code section
17 10159.2, REYES, as designated officer-broker, was responsible for the supervision of the
18 activities of the officers, agents, real estate licensees, and employees of Respondent TRRN for
19 which a license is required.

20 9. Whenever reference is made in an allegation in this Accusation to an act or
21 omission of Respondent TRRN, such allegation shall be deemed to mean that the officers,
22 directors, employees, agents and/or real estate licensees employed by or associated with
23 Respondent TRRN committed such act or omission while engaged in the furtherance of the
24 business or operations of such corporate respondent and while acting within the course and scope
25 of their authority and employment.

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1 First Cause of Accusation - Corporation Status

2 10. TRRN is a corporation formed in California on or about January 14, 2019,
3 California Corporate Number C4232886. According to forms filed with the California Secretary of
4 State, Respondent REYES was the sole officer and director of TRRN.

5 11. On October 25, 2021, Respondent REYES filed a Certificate of Dissolution for
6 TRRN with the California Secretary of State. TRRN's powers, rights, and privileges remain
7 terminated with the California Secretary of State.

8 12. The termination of Respondent TRRN's corporation status is in violation of
9 Regulation 2742, subdivision (c), and constitutes grounds to suspend or revoke Respondent
10 TRRN's corporate real estate broker license pursuant to Code section 10177, subdivisions (d)
11 and/or (g).

12 13. The termination of Respondent TRRN's corporation status would have constituted
13 grounds for the denial of Respondent's corporate real estate broker license under Regulation
14 section 2742 and is now cause to suspend or revoke the license and license rights of Respondent
15 TRRN pursuant to Code section 10177, subdivision (f).

16 Second Cause of Accusation – Failure to Disclose

17 14. There is hereby incorporated in this Second, separate and distinct Cause of
18 Accusation, all of the facts and allegations contained in Paragraphs 1 through 13, with the same
19 force and effect as if herein fully set forth.

20 15. On December 26, 2023, Respondent REYES submitted an Officer Renewal
21 Application on behalf of himself and Respondent TRRN. In response to Question 8 of the
22 application, to wit, "IS THE CORPORATION CURRENTLY IN GOOD STANDING WITH
23 THE OFFICE OF SECRETARY OF STATE? (REQUIRED)," Respondents answered, "YES."
24 Respondents failed to disclose the dissolution and termination of Respondent TRRN's corporation
25 status since October 25, 2021, as described above in Paragraph 11.

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16. Respondents' failure to disclose the dissolution of TRRN's corporation status and false assertion that TRRN's corporation status was in good standing with the Office of the Secretary of State on the Officer Renewal Application of December 26, 2023, as described above in Paragraphs 11 and 15, constitutes the procurement of a real estate license by fraud, deceit, making a material misstatement, or omission of a material fact, in said application which is cause for the suspension or revocation of all licenses and license rights of Respondents TRRN and REYES pursuant to Code sections 498, 499, and 10177, subdivisions (a), (h), and/or (g).

Third Cause of Accusation

Violations of Code sections 10176(f), 10176(i), and Regulation 2742(c)

17. There is hereby incorporated in this Third, separate and distinct Cause of Accusation, all of the facts and allegations contained in Paragraphs 1 through 16, with the same force and effect as if herein fully set forth.

Edwin St. property

18. On or about October 16, 2023, Respondents solicited broker services within the meaning of Code section 10131, subdivision (a), by offering to sell, obtain the listing of, solicit prospective buyers, or negotiate the purchase, sale, or exchange of real property for property owners, G.C.² and C.C. (collectively “sellers”), for the sellers’ real property located at: 8762 Edwin Street, Rancho Cucamonga, California 91730 (“Edwin St. property”).

19. On or about October 16, 2023, Respondents induced the sellers to enter into an exclusive Residential Listing Agreement (“listing agreement”). Under Item 1 of the listing agreement, the Respondents failed to state a specific “Listing Period” and omitted entering both the beginning date and the ending date (final and complete termination date) on the listing agreement, in violation of Code section 10176, subdivision (f).

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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 20. According to the listing agreement, Respondent TRRN charged compensation of
2 4.5 percent of the listing price of \$679,888.00 for the broker services.

3 21. Under Item 19 "Additional Terms" of the listing agreement, Respondents included
4 the following language: "Our agreements are made for six months, we also include our Easy-Exit
5 Listing Guarantee, which ensures that you will have a positive experience working with us. It
6 simply states: If you're not completely satisfied with our service as promised, you can withdraw
7 your listing with us at any time, and no money is owed to you."

8 22. On October 16, 2023, Respondent REYES executed a Disclosure Regarding Real
9 Estate Agency Relationship on behalf of TRRN. The Disclosure listed TRRN as the real estate
10 broker firm for the sellers and listed TRRN's real estate license number 02110927.

11 23. The sellers signed the listing agreement on October 17, 2023.

12 24. According to written communication between the parties, the sellers became
13 dissatisfied with Respondents' broker services shortly thereafter. On or about November 9, 2023,
14 the sellers informed Respondent REYES that the sellers wished to cancel and terminate their listing
15 agreement with Respondents.

16 25. A civil dispute arose between the parties over the cancelation of the listing
17 agreement and compensation the Respondents alleged was owed to TRRN for broker services
18 conducted on behalf of the sellers for the sale of the Edwin St. property.

19 26. Respondent REYES informed the sellers that "withdrawing a listing is different
20 from canceling it" and allegedly refused to cancel the listing agreement unless compensation was
21 paid to Respondents by the sellers.

22 27. The Department conducted an investigation after receiving a complaint against the
23 Respondents. The complaint concerned Respondent TRRN's "Easy-Exit Listing Guarantee"
24 program and Respondents' alleged refusal to allow G.C. and C.C. to cancel their listing agreement
25 with TRRN.

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1 28. According to Respondent REYES, “[C]lients may request to withdraw their property
2 from the **Multiple Listing Service (MLS)** at any time if dissatisfied with our services. This
3 withdrawal does not terminate the exclusive listing agreement, which remains in effect for the full
4 duration of the negotiated term.”

5 29. The sellers and Respondents ultimately settled their civil dispute.

6 30. Respondent TRRN, while not in good legal standing with the Secretary of State for
7 the State of California, engaged in the business of a real estate broker for sellers G.C. and C.C., in
8 violation of Regulation 2742, subdivision (c).

9 31. The conduct, acts and/or omissions of Respondent TRRN, as described above in
10 Paragraphs 18 through 30, constitutes cause for the suspension or revocation of the license and
11 license rights of Respondent TRRN pursuant to Code Section 10177, subdivision (d) and/or (g), for
12 violation of Regulation 2742, subdivision (c).

13 32. Respondents induced the sellers to enter into an exclusive listing agreement which
14 did not contain a definite, specified date of final and complete termination in violation of Code
15 section 10176, subdivision (f). The conduct, acts and/or omissions of Respondents, as described
16 above in Paragraphs 18 through 30, constitutes cause for the suspension or revocation of the license
17 and license rights of Respondents pursuant to Code Section 10176, subdivision (f).

18 33. Respondents made a substantial misrepresentation to the sellers on the listing
19 agreement with respect to Respondents’ “Easy-Exit Listing Guarantee” and the ability to cancel a
20 listing agreement versus canceling a “MLS listing” as described above in Paragraphs 18 through
21 28. The conduct, acts and/or omissions of Respondents, as described above in Paragraphs 18
22 through 30, constitutes cause for the suspension or revocation of the license and license rights of
23 Respondents pursuant to Code Section 10176, subdivision (a).

24 34. The conduct, acts and/or omissions of Respondents, as described above in
25 Paragraphs 18 through 33, constitutes fraud or dishonest dealing and constitutes cause for the
26 suspension or revocation of the license and license rights of Respondents pursuant to Code Section
27 10176, subdivision (i), or 10177, subdivision (j).

1 Fourth Cause of Accusation

2 Violations of Regulation 2742(c)

3 35. There is hereby incorporated in this Fourth, separate and distinct Cause of
4 Accusation, all of the facts and allegations contained in Paragraphs 1 through 34, with the same
5 force and effect as if herein fully set forth.

6 36. The Department conducted an investigation of Respondents' real estate activities.

7 37. The investigation revealed that, within the previous three (3) years, Respondent
8 TRRN offered to provide or provided real estate broker services for compensation, within the
9 meaning of Code section 10131, subdivision (a) (offer to sell, obtain the listing of, solicit
10 prospective buyers, or negotiate the purchase, sale, or exchange of real property) to others, while
11 Respondent TRRN's corporation status was not in good standing with the Office of the California
12 Secretary of State, in violation of Regulation 2742, subdivision (c).

13 38. During the afore-mentioned period, Respondent TRRN acted as a real estate broker
14 for others and executed several Residential Listing Agreements and/or Residential Purchase
15 Agreements and Joint Escrow Instructions. Examples of the Regulation 2742(c) violations include,
16 but are not limited to, the following transactions:

<u>#</u>	<u>Property Address</u>	<u>Dates Agreements Were Signed</u>
1) 18	14813 Sequoia Ave., Fontana, CA 92335	09/18/2023
2) 19	1330 Paseo Valle Vista, Covina, CA 91724	02/19/2024 & 02/22/2024
3) 20	14362 Walnut Creek, Baldwin Park, CA 91706	06/01/2024 & 06/25/2024
4) 21	305 E. Grand Ave., Pomona, CA 91766	08/07/2024 & 11/04/2024
5) 22	607 Park Shadow Court, Baldwin Park, CA 91706	12/24/2024 & 02/03/2025
6) 23	576 Imperial Ave., Sugarloaf, CA 92386	01/06/2025
7) 24	1326 Via Esperanza, San Dimas, CA 91773	01/23/2025

25 39. The conduct, acts and/or omissions of Respondent TRRN, as described above in
26 Paragraphs 37 and 38, constitutes cause for the suspension or revocation of the license and license
27 rights of Respondent TRRN pursuant to Code Section 10177, subdivision (d) and/or (g), for

1 violation of Regulation 2742, subdivision (c).

2 Fifth Cause of Accusation

3 Broker Supervision – Respondent REYES

4 40. There is hereby incorporated in this Fifth, separate and distinct Cause of Accusation,
5 all of the facts and allegations contained in Paragraphs 1 through 39 with the same force and effect
6 as if herein fully set forth.

7 41. The foregoing violations by Respondent TRRN, as alleged above in Paragraphs 10
8 through 39, constitute a failure by Respondent REYES to exercise the supervision and control over
9 the activities of TRRN, to ensure compliance with the Real Estate Law and Regulations, as
10 required by Code section 10159.2 and Regulation 2725. Said conduct, acts, or omissions constitute
11 cause for the suspension or revocation of the real estate licenses and license rights of Respondent
12 REYES pursuant to Code section 10177, subdivisions (h), (d), and/or (g).

13 Investigation/Enforcement Costs

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

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

7 Dated Sep 1, 2026 at Los Angeles, California.

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9 RAY DAGNINO
10 Supervising Special Investigator

11 cc: The R.R. Network
12 Richard Anthony Reyes, Jr.
13 Ray Dagnino
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