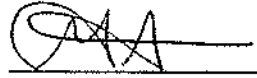


FILED

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DEPARTMENT 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-5921 SAC
)	
12	JEANETTE DENOGEAN CHAMPAGNE)	ACCUSATION
13	and GINA MARIE WEST,)	
)	
14	Respondents.)	
)	

15 The Complainant, TRICIA D. SOMMERS, a Deputy Real Estate Commissioner
16 of the State of California, for an Accusation against Respondent JEANETTE DENOGEAN
17 CHAMPAGNE, and GINA MARIE WEST is informed and alleges as follows:

18 1

19 The Complainant, TRICIA D. SOMMERS, a Deputy Real Estate Commissioner
20 of the State of California, makes this Accusation against Respondent in her official capacity.

21 2

22 Respondents JEANETTE DENOGEAN CHAMPAGNE and GINA MARIE
23 WEST are presently licensed and/or has license rights under the Real Estate Law, Part 1 of
24 Division 4 of the California Business and Professions Code (hereafter "the Code").

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1 3

2 At all times herein mentioned, Respondent JEANETTE DENOGEAN
3 CHAMPAGNE (hereafter "Respondent CHAMPAGNE") was and is licensed by the
4 Department of Real Estate (hereinafter "the Department") as a real estate broker.

5 4

6 At all times herein mentioned, Respondent GINA MARIE WEST (hereafter
7 "Respondent WEST") was and is licensed by the Department of Real Estate (hereinafter "the
8 Department") as a real estate salesperson.

9 5

10 At all times herein mentioned, Respondents engaged in the business of, acted in
11 the capacity of, advertised, or assumed to act as a real estate broker within the State of
12 California within the meaning of Section 10131(b) of the Code, including, on behalf of others,
13 the operation and conduct of a property management business with the public wherein, for
14 compensation or in expectation of compensation, Respondents leased or rented and offered to
15 lease or rent and placed for rent, and solicited listings of places for rent, and solicited listings of
16 places for rent, and solicited for prospective tenants of real property or improvements thereon,
17 and collected rents from real property or improvements thereon.

18 FIRST CAUSE OF ACTION

19 6

20 There is hereby incorporated in this First, separate and distinct, Cause of Action,
21 all of the allegations contained in Paragraphs 1 through 5, inclusive, of the Accusation with the
22 same force and effect as if herein fully set forth.

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1
2 Within the three-year period prior to the filing of this Accusation, in acting as a
3 real estate broker as described in Paragraph 5, above, Respondents accepted or received funds in
4 trust (hereinafter "trust funds") from or on behalf of tenants, landlords, and/or others in
5 connection with the said real estate purchase and sale activities and property management
6 activities.

7
8 At all times herein mentioned Gina West was licensed by the Department as a
9 real estate salesperson and licensed in the employ of Respondent as her employing broker of
10 record from December 21, 2006, through March 27, 2011. At no time has Gina West been
11 licensed by the Department as a real estate broker.

12
13 Within the three-year period prior to the filing of this Accusation, Respondent
14 employed Gina West to lease or rent and offer to lease or rent and place for rent, and solicit
15 listings of places for rent, and solicit listings of places for rent, and solicit for prospective
16 tenants of real property or improvements thereon, and collect trust funds in the form of rents and
17 security deposits from real property or improvements thereon as set forth in Paragraph 5, above.

18
19 Within the three-year period prior to the filing of this Accusation, in connection
20 with the collection and disbursement of trust funds, the aforesaid trust funds accepted or
21 received by Respondent were deposited or caused to be deposited by said Respondent into a
22 bank account maintained by Respondent as follows:

- 23 a.) At Tri Counties Bank, 1250 Hilltop Drive, in Redding, California, 96002,
24 Account No. XXXX5956, entitled "Gina West DBA Shasta Properties"
25 (hereinafter "Bank Account #1) with Gina West as the sole authorized
26 signatory on said account.

1 Within the three-year period prior to the filing of this Accusation, in connection
2 with the collection and disbursement of trust funds, as alleged in Paragraphs 7, 9, and 10, above,
3 Respondent deposited trust funds or caused trust funds to be deposited into Bank Account #1,
4 which was not designated as a trust account in the name of the broker as trustee as required by
5 Section 2832 of Chapter 6, Title 10, California Code of Regulations (hereinafter "Regulations")
6 (requiring deposit of trust funds into neutral escrow or into trust fund account in a bank in the
7 name of broker as trustee . . .).

8 12

9 In connection with the collection and disbursement of trust funds, as alleged in
10 Paragraphs 7, 9, 10, and 11, above, Respondent CHAMPAGNE failed to deposit and maintain
11 the trust funds in a trust account or neutral escrow depository, or to deliver them into the hands
12 of the owners of the funds, as required by Section 10145 of the Code (broker accepting funds of
13 others in connection with transaction requiring license shall deliver funds into neutral escrow,
14 hands of broker's principal, or broker's trust account) in such a manner that there was a trust
15 fund shortage in Bank Account #1 in the approximate sum of \$443.01 as of November 31, 2011.

16 13

17 Within the three year period prior to the filing of this Accusation, in connection
18 with the collection and disbursement of trust funds, as alleged in Paragraphs 7, 9, 10, 11 and 12,
19 above, Respondent CHAMPAGNE failed to obtain the prior written consents of the principals
20 for the reduction of the aggregate balance of trust funds in Bank Account #1 to an amount less
21 than the existing aggregate trust fund liability to the owners of said funds as required by Section
22 2832.1 of the Regulations (written consent of every principal owning funds in account shall be
23 obtained by broker prior to each disbursement which will reduce balance of funds to an amount
24 less than existing aggregate trust fund liability of broker to all owners of funds).

25 14

26 Within the three-year period prior to the filing of this Accusation, in connection
27 with the collection and disbursement of trust funds, as alleged above, Respondent

1 CHAMPAGNE failed to perform, at least once each month, a reconciliation of all the separate
2 beneficiary records with the control record, and/or failed to maintain a record of such
3 reconciliations as required by Section 2831.2 of the Regulations (maintain balance of all
4 separate beneficiary and reconcile funds received with funds disbursed, etc.) for Bank Account
5 #1.

6 15

7 Respondent WEST, as a licensed real estate salesperson in the employ of
8 Respondent CHAMPAGNE, collected rents from tenants and failed to deliver the rent collected
9 to her employing broker, into the custody of the broker's principal, to a neutral escrow
10 depository, or deposit the rents collected into a trust fund account in the name of the broker as
11 trustee in violation of Section 10145(c) of the Code (salesperson licensee shall deliver trust
12 funds to broker, into the custody of the broker's principal, to a neutral escrow depository, or into
13 broker's trust account) and Section 2832 of the Regulations (salesperson licensee shall deliver
14 trust funds to broker, into the custody of the broker's principal, to a neutral escrow depository,
15 or into trust fund account in the name of the broker as trustee).

16 16

17 Within the three year period prior to the filing of this Accusation and at all times
18 herein mentioned, Respondent CHAMPAGNE maintained more than one place of business for
19 the purpose of conducting property management activities pursuant to Section 10131(b) of the
20 Code from, and failed to apply for and procure an additional license for the branch office so
21 maintained at, 2285 Hilltop Drive, #204 in Redding, California, in violation of Section 10163 of
22 the Code (broker maintaining more than one place of business in California shall apply for and
23 obtain a license for each branch office.) and Section 2715 of the Regulations (broker shall
24 maintain on file with Department main office address, each branch office address and mailing
25 address).

26 17

1 At no time has the Department issued a real estate license to Respondent
2 CHAMPAGNE under fictitious business name of SHASTA PROPERTIES. Within the three
3 year period prior to the filing of this Accusation and at all times herein mentioned, Respondent
4 CHAMPAGNE conducted the property management activities set forth in Paragraph 5, above,
5 under the fictitious business name of SHASTA PROPERTIES in violation of Section 10159.5
6 of the Code (every person applying for license desiring to use a fictitious business name shall
7 file with the Department a certified copy of the fictitious business name statement as filed with
8 county clerk) and Section 2731 of the Regulations (licensee may not use fictitious business
9 name in conduct of licensed activity unless a holder of a license bearing such name.).

10 18

11 The acts and/or omissions of Respondents as alleged above constitute cause for
12 the suspension or revocation of the licenses and license rights of Respondents under the
13 following provisions:

14 (a) As to Respondent CHAMPAGNE as alleged in Paragraph 11, under
15 Section 2832 of the Regulations (requiring deposit of trust funds into neutral
16 escrow depository or into trust fund account in bank in the name of broker as
17 trustee . . .) in conjunction with Section 10177(d) of the Code (suspension or
18 revocation of license for willful disregard or violation of the Real Estate Law, §§
19 10000 et seq. and §§ 11000 et seq. of the Code, or of the Regulations);

20 (b) As to Respondent CHAMPAGNE as alleged in Paragraph 12, under
21 Section 10145 of the Code in conjunction with Section 10177(d) of the Code;

22 (c) As to Respondent CHAMPAGNE as alleged in Paragraph 13, under
23 Section 2832.1 in conjunction with Section 10177(d) of the Code;

24 (d) As to Respondent CHAMPAGNE as alleged in Paragraph 14, under
25 Section 2831.2 of the Regulations in conjunction with Section 10177(d) of the
26 Code;
27

1 (e) As to Respondent WEST as alleged in Paragraph 15, under Section 10145
2 of the Code and Section 2832 of the Regulations all in conjunction with Section
3 10177(d) of the Code;

4 (f) As to Respondent CHAMPAGE as alleged in Paragraph 16, under
5 Section 10163 of the Code and Section 2715 of the Regulations all in
6 conjunction with Section 10177(d) of the Code and in conjunction with Section
7 10165 of the Code (commissioner may suspend or revoke license for violations
8 of Sections 10160, 10161.8, 10162 or 10163 of the Code); and,

9 (g) As to Respondent CHAMPAGE as alleged in Paragraph 17, under
10 Section 10159.5 of the Code and Section 2731 of the Regulations all in
11 conjunction with Section 10177(d) of the Code.

12 SECOND CAUSE OF ACTION

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

17 20

18 At all times herein mentioned, Respondent CHAMPAGNE was responsible, as
19 the Employing broker of Respondent WEST, for the supervision and control of the activities
20 conducted on behalf of Respondent CHAMPAGE by Respondent WEST. Respondent
21 CHAMPANGE failed to exercise reasonable supervision and control over the property
22 management of Respondent WEST. In particular, Respondent CHAMPANGE participated in,
23 permitted, ratified, and/or caused the conduct described in the First Cause of Action, above, to
24 occur, and failed to take reasonable steps to insure, including, but not limited to, proper
25 transactional record keeping, insure proper trust fund record keeping, insure proper review of
26 trust fund records and accounts, insure that trust funds would be deposited to an account
27

1 properly designated as a trust account in Respondent CHAMPAGNE's name as broker and
2 trustee, and insure proper supervision of employee's conduct of property management activities.

3 21

4 The acts and/or omissions of Respondent CHAMPAGNE as described in
5 Paragraph 20, above, constitute grounds for the suspension or revocation of the licenses and
6 license rights of Respondent CHAMPAGNE under the provisions of Section 2725 of the
7 Regulations (broker shall exercise reasonable supervision over: licensed employees; establish
8 policies and procedures for compliance with Real Estate Law; supervise transactions requiring a
9 real estate license; trust fund handling; etc.) in conjunction with Section 10177(d) of the Code
10 and of Section 10177(h) of the Code (suspension or revocation for broker or designated
11 broker/officer who fails to exercise reasonable supervision of licensed employees).

12 COST RECOVERY

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

17 WHEREFORE, Complainant prays that a hearing be conducted on the
18 allegations of this Accusation and that upon proof thereof a decision be rendered imposing
19 disciplinary action against all licenses and license rights of Respondent under the Real Estate
20 Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further
21 relief as may be proper under other provisions of law, including an order for restitution.

22
23 
24 TRICIA D. SOMMERS
25 Deputy Real Estate Commissioner

26 Dated at Sacramento, California,
27 this 17th day of OCTOBER, 2012.