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FILED

JAN 04 2021

DEPARTMENT OF REAL ESTATE
By B. Nicholas

7
8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of:) NO. H-6987 SAC
12)
13 GENESIS RE OF SAN JOAQUIN, INC. and) ACCUSATION
14 DARRELL RAY ISAACS,)
15 Respondents.)

16 The Complainant, TRICIA D. PARKHURST, acting in her official capacity as a
17 Supervising Special Investigator of the State of California, for cause of Accusation against
18 Respondents GENESIS RE OF SAN JOAQUIN ("GENESIS") and DARRELL RAY ISAACS
19 ("ISAACS"), (collectively referred to herein as "Respondents"), are informed and allege as
20 follows:

21 PRELIMINARY ALLEGATIONS

22 1.

23 GENESIS is presently licensed by the Department of Real Estate ("the
24 Department") and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the
25 Business and Professions Code ("the Code") as a corporate real estate broker, and at all times
26 relevant herein was acting by and through ISAACS as its designated broker officer.

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2.

At all times herein mentioned, ISAACS was licensed and/or had license rights under the Real Estate Law, Part 1 of Division 4 of the Code ("the Real Estate Law") as an individual real estate broker and as the designated broker officer of GENESIS.

3.

At all times relevant herein, ISAACS acting in the capacity as the designated broker officer of GENESIS was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of the officers, agents, real estate licensees and employees of GENESIS for which a real estate license is required.

4.

Whenever reference is made in an allegation in this Accusation to an act or omission of GENESIS such allegation shall be deemed to mean that the employees, agents and real estate licensees employed by or associated with GENESIS committed such act or omission while engaged in furtherance of the business or operations of GENESIS and while acting within the course and scope of their authority and employment.

5.

At all times herein mentioned, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers within the State of California on behalf of others, for compensation or in expectation of compensation within the meaning of Section 10131(b) of the Code, including the operation and conduct of a property management business with the public wherein, on behalf of others, for compensation, leased or rented or offered to lease or rent, or placed for rent, or solicited listings of places for rent, or solicited for prospective tenant, or negotiated for sale, purchase or exchanges of leases on real property, or on a business opportunity, or collected rent from real property, or improvements thereon, or from business opportunities.

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FIRST CAUSE OF ACTION
Audit Violations
(As to Respondents GENESIS and ISAACS)

6.

Each and every allegation contained above in Paragraphs 1 through 5, inclusive, is incorporated by this reference as if fully set forth herein.

7.

Beginning on September 3, 2019, and continuing through September 4, 2019, the Department conducted an audit at Respondents' main office located at 149 Yokuts Avenue, Suite A, Stockton, CA 95207, where the auditor examined records for the period of January 1, 2018, to September 30, 2019 ("the audit period").

8.

While doing business within the audit period, Respondents accepted or received funds in trust ("trust funds") from or on behalf of owners and tenants in connection with leasing, renting and collection of rents on real property or improvements thereon and deposited or caused to be deposited those funds into bank accounts maintained by Respondents, including:

BANK ACCOUNT # 1	
Bank Name and Location:	Bank of America P.O. Box 15284 Wilmington, DE 19850
Account No.:	XXXX XXXX 3684
Entitled:	Donna J Isaacs VOPM 22
Signatories:	Donna Isaacs, unlicensed
No. of Signatures Required:	One

BANK ACCOUNT # 2	
Bank Name and Location:	Bank of America P.O. Box 15284 Wilmington, DE 19850
Account No.:	XXXX XXXX 6553
Entitled:	Donna J Isaacs VOPM 20
Signatories:	Donna Isaacs, unlicensed
No. of Signatures Required:	One

BANK ACCOUNT # 3	
Bank Name and Location:	Bank of America P.O. Box 15284 Wilmington, DE 19850
Account No.:	XXXX XXXX 6540
Entitled:	Donna J Isaacs VOPM 19
Signatories:	Donna Isaacs, unlicensed
No. of Signatures Required:	One

From time-to-time, Respondents made collections to, and disbursement from, said accounts.

9.

In the course of the activities described above in Paragraph 5, in connection with the collection and disbursement of trust funds, Respondents:

(a) allowed Lynnette Workman, who was unlicensed, to represent to tenants that she was the "Landlord" and "Landlord's Agent/Real Estate Agent" and perform activities requiring a real estate license, in violation of Section 10177(g) of the Code;

(b) failed to designate Bank Account #1, Bank Account #2, and Bank Account #3, used to hold trust funds, as a trust accounts in violation of Section 10145 of the Code and Section 2832 of title 10 of the California Code of Regulations ("the Regulations");

(c) allowed, authorized, and/or permitted Donna Isaacs, who was unlicensed, to serve as a signatory on Bank Account #1, Bank Account #2, and Bank Account #3, without fidelity bond coverage, in violation of Section 10145 of the Code and Section 2834 of the Regulations;

(d) failed to have the designated officer serve as a signatory on Bank Account #1, Bank Account #2, and Bank Account #3 during the audit period, in violation of Section 10145 of the Code and Section 2834 of the Regulations; and

(e) conducted property management activities under the name "Valley Oaks Property Management" which was not a licensed dba, in violation of Section 10159.5 of the Code and Section 2731 of the Regulations.

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1 10.

2 The acts and/or omissions of Respondents as alleged in paragraph 9, above,
3 constitute grounds for the suspension or revocation of all licenses and license rights of
4 Respondents pursuant to the following provisions of the Code and Regulations:

5 As to Paragraph 9(a), under Section 10177(g) of the Code;

6 As to Paragraph 9(b), under Section 10177(d) and/or 10177(g) of the Code, in
7 conjunction with Section 10145 of the Code and Section 2832 of the Regulations;

8 As to Paragraph 9(c), under Section 10177(d) and/or 10177(g) of the Code, in
9 conjunction with Section 10145 of the Code, and Section 2834 of the Regulations;

10 As to Paragraph 9(d), under Section 10177(d) and/or 10177(g) of the Code, in
11 conjunction with Section 10145 of the Code and Section 2834 of the Regulations; and

12 As to Paragraph 9(e), under Section 10177(d) and/or 10177(g) of the Code, in
13 conjunction with Section 10159.5 of the Code and Section 2731 of the Regulations.

14 **SECOND CAUSE OF ACTION**

15 Failure to Supervise

16 (As Against ISAACS Only)

17 11.

18 Each and every allegation in Paragraphs 1 through 10, inclusive, above, is
19 incorporated by this reference as if fully set forth herein.

20 12.

21 ISAACS, as the designated officer broker of GENESIS, was required to exercise
22 reasonable supervision and control over the activities of GENESIS. ISAACS failed to exercise
23 reasonable supervision over the acts and/or omissions of GENESIS in such a manner as to allow
24 the acts and/or omissions as described in Paragraphs 1 through 10, above, to occur, in violation
25 of Section 10159.2 of the Code and Section 2725 of the Regulations.

26 13.

27 The facts described above as to the First Cause of Action are grounds for the
discipline of all licenses and license rights of ISAACS under section 10177(d) and/or Section

1 10177(g), 10177(h), and 10159.2 of the Code, in conjunction with Section 2725 of the
2 Regulations.

3 **COST RECOVERY**

4 **Audit Costs**

5 14.

6 The acts and/or omissions of Respondents as alleged in the First Cause of Action,
7 above, entitle the Department to reimbursement of the costs of its audit pursuant to Section
8 10148(b) of the Code.

9 **Investigation and Enforcement Costs**

10 15.

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

15 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
16 of this Accusation and that upon proof thereof, a decision be rendered revoking all licenses and
17 license rights of all Respondent named herein under the Real Estate Law (Part 1 of Division 4 of
18 the Business and Professions Code), for the cost of investigation and enforcement as permitted
19 by law, for the cost of the audit as permitted by law, and for such other and further relief as may
20 be proper under other provisions of law.

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TRICIA D. PARKHURST
23 Supervising Special Investigator
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25 Dated at Sacramento, California,
26 this 4th day of January, 2021.

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1 DISCOVERY DEMAND

2 Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the
3 Department hereby makes demand for discovery pursuant to the guidelines set forth in the
4 *Administrative Procedure Act*. Failure to provide Discovery to the Department may result in the
5 exclusion of witnesses and documents at the hearing or other sanctions that the Office of
6 Administrative Hearings deems appropriate.

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