

FILED

MAR 24 2022

DEPT. OF REAL ESTATE

By _____

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

10 * * *

11 In the Matter of the Accusation of) No. H-42187 LA
12)
13 WALKER INC; and)
14 DENISE ANNETTE PAUL-ELLIOT,)
15 individually and as designated officer) ACCUSATION
16 of Walker Inc,)
17 Respondents.)

17 The Complainant, Maria Suarez, a Supervising Special Investigator of the State
18 of California, acting in her official capacity, for cause of Accusation against WALKER INC
19 (“WI”) and DENISE ANNETTE PAUL-ELLIOT (“PAUL-ELLIOT”), individually and as
20 designated officer of Walker Inc, is informed and alleges as follows:

21 1.

22 The Complainant, Maria Suarez, acting in her official capacity as Supervising
23 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: WI and PAUL-ELLIOT)

3.

a. WI is presently licensed by the Department Real Estate as a real estate corporation (license no. 00412433). WI has been so licensed from on or about January 18, 1984 through the present. WI has had the fictitious business names of "Walker and Paul Financial" from on or about January 10, 1986 through the present and "Walker and Paul" from on or about December 19, 2000 through the present. From on or about December 19, 2000 through the present, WI's designated officer has been PAUL-ELLIOTT.

b. PAUL-ELLIOT is presently licensed and/or issued by the Department of Real Estate as a real estate broker (license no. 01145430). PAUL-ELLIOTT was originally licensed as a real estate broker on or about June 14, 2000, and has been so licensed since then. Prior to being licensed as a real estate broker, PAUL-ELLIOTT was licensed as a real estate salesperson. At no time has PAUL-ELLIOT had a fictitious business name registered with the Department of Real Estate. PAUL-ELLIOT has been WI's designated officer from on or about December 19, 2000 through the present and WI's chief executive officer ("CEO") from at least February 9, 2015 through the present.

4.

Whenever acts referred to below are attributed to WI and/or PAUL-ELLIOTT, those acts are alleged to have been done by WI and/or PAUL-ELLIOTT, acting by itself/himself/themselves, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators.

1 5.

2 At all times mentioned, in the County of Ventura, WI and PAUL-ELLIOTT
3 were engaged in the business of a real estate broker conducting licensed activities within the
4 meaning of Code section 10131(b) (“[l]eases or rents or offers to lease or rent, or places for
5 rent, or solicits listings of places for rent, or solicits for prospective tenants, or negotiates the
6 sale, purchase, or exchanges of leases on real property, or on a business opportunity, or collects
7 rents from real property, or improvements thereon, or from business opportunities”).

8
9 (Property Management Audit)

10 6.

11 On or about April 27, 2021, the Department of Real Estate completed an audit
12 examination of the books and records of WI to determine whether WI and PAUL-ELLIOTT
13 handled and accounted for trust funds and conducted their real estate activities in accordance
14 with the Real Estate Law and Regulations. The audit examination covered a period of time
15 beginning on July 1, 2019 and ending on June 30, 2020. The audit examination revealed
16 violations of the Code and the Regulations set forth in the following paragraphs, and more fully
17 discussed in Audit Report LA200009 and the exhibits and work papers attached to said audit
18 report.

19
20 Bank Accounts

21 7.

22 At all times mentioned, in connection with the activities described in Paragraph
23 5, above, WI and PAUL-ELLIOTT accepted or received funds including funds in trust (“trust
24 funds”) from or on behalf of actual or prospective parties, such as owners of real property, and
25 thereafter made deposits and/or disbursements of such funds. From time to time herein
26
27

1 mentioned, during the audit period, said trust funds were deposited and/or maintained by WI
2 and PAUL-ELLIOTT in the trust accounts as follows:

3 “Walker Inc DBA Walker And Paul Trust Account”

4 *****3730

5 Citizens Business Bank

6 P.O. Box 3938

7 Ontario, CA 91761

TA 1

8 “Walker Inc DBA Walker And Paul, Security Deposit/Trust Account”

9 *****3623

10 Citizens Business Bank

11 P.O. Box 3938

12 Ontario, CA 91761

TA 2

13 8.

14 In the course of activities described in Paragraphs 5 and 7, above, and during the
15 audit examination period in Paragraph 7, above, Respondents WI and PAUL-ELLIOTT acted
16 in violation of the Code and the Regulations as set forth below:

17 (a)(1) Permitted, allowed, or caused the disbursement of trust funds from the
18 trust account TA 1 where the disbursement of funds reduced the total of aggregate funds in TA
19 1, to an amount which, on June 30, 2020, was a minimum shortage of \$36,664.66 without first
20 obtaining the prior written consent of the owners of said funds, in violation of Code section
21 10145 and Regulations section 2832.1. In other words, there was \$36,664.66 less than the
22 existing aggregate trust fund liability to every principal who was an owner of said funds.

23 (a)(2) Permitted, allowed, or caused the disbursement of trust funds from the
24 trust account TA 1 where the disbursement of funds reduced the total of aggregate funds in TA
25 2, to an amount which, on June 30, 2020, was a minimum shortage of \$1,900.00 without first
26 obtaining the prior written consent of the owners of said funds, in violation of Code section
27 10145 and Regulations section 2832.1. In other words, there was \$1,900.00 less than the
existing aggregate trust fund liability to every principal who was an owner of said funds.

1 (b) Failed to maintain an accurate and complete control record of all trust funds
2 received, deposited, and disbursed for TA 1 and TA 2, in violation of Code section 10145 and
3 Regulations section 2831.

4 (c) Failed to maintain an accurate and complete separate record for each
5 beneficiary or transaction, thereby failing to account for all trust funds received, deposited, and
6 disbursed from TA 1 and TA 2, in violation of Code section 10145 and Regulations section
7 2831.1.

8 (d) Failed to perform and maintain an accurate monthly reconciliation of the
9 balance of all separate beneficiary or transaction records (separate records) to the balance of the
10 record of all trust funds received and disbursed (control record) for TA 1 and TA 2, in violation
11 of Code section 10145 and Regulations section 2831.2.

12 (e) The overall conduct of PAUL-ELLIOTT constitutes a failure on PAUL-
13 ELLIOTT's part, as officer designated by a corporate broker licensee, to exercise the
14 reasonable supervision and control over the licensed activities of WI as required by Code
15 section 10159.2 and Regulations section 2725.

16 9.

17 The conduct of Respondents WI and PAUL-ELLIOTT described in Paragraph 8,
18 above, violated the Code and the Regulations as set forth below:

19 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
20 8(a)	Code section 10145 and Regulations section 2832.1
21 8(b)	Code section 10145 and Regulations section 2831
22 8(c)	Code section 10145 and Regulations section 2831.1
23 8(d)	Code section 10145 and Regulations section 2831.2
24 8(e)	Code section 10159.2 and Regulations section 2725

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1 The foregoing violations constitute cause for discipline of the real estate license and license
2 rights of Respondents WI and PAUL-ELLIOTT under the provisions of Code sections
3 10177(d), 10177(g), 10177(h), and 10177(j).

4
5 (COSTS)

6 10.

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

12 11.

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

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