

1 Department of Real Estate
2 320 West 4th Street, Ste. 350
3 Los Angeles, California 90013-1105
4 Telephone: (213) 576-6982

FILED

MAY 15 2019

DEPT. OF REAL ESTATE
By *Angiel Danner*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H-04997 SD
12 INLAND EQUITIES INC)
13 and) STIPULATION
14 DOUGLAS WASHBURN MEAD, individually) AND
15 and as designated officer of Inland Equities Inc) AGREEMENT
16)
17)
18 Respondents.)

19 It is hereby stipulated by and between Respondents DOUGLAS WASHBURN
20 MEAD ("MEAD") and INLAND EQUITIES INC ("IEI"), both represented by Frank M. Buda,
21 Esq., and the Complainant, acting by and through Julie L. To, Counsel for the Department of
22 Real Estate ("Department" or "DRE"), as follows for the purpose of settling and disposing of the
23 Accusation ("Accusation") filed on May 21, 2018, in Case No. H-04997 SD, in this matter.

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27 DRE Stipulation & Agreement, H-04997 SD:
DOUGLAS WASHBURN MEAD & INLAND EQUITIES INC

1 1. All issues which were to be contested and all evidence which was to be
2 presented by Complainant and Respondents at a formal hearing on the Accusation, which hearing
3 was to be held in accordance with the provisions of the Administrative Procedure Act ("APA"),
4 shall instead and in place thereof be submitted solely on the basis of the provisions of this
5 Stipulation and Agreement ("Stipulation").

6 2. Respondents have received, read and understand the Statement to Respondent,
7 the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate
8 ("Department") in this proceeding.

9 3. On June 7, 2018, Respondents timely filed Notices of Defense pursuant to
10 Section 11506 of the Government Code for the purpose of requesting a hearing on the allegations
11 in the Accusation. Respondents hereby freely and voluntarily withdraw said Notices of Defense.
12 Respondents acknowledge that they understand that by withdrawing said Notices of Defense they
13 thereby waive their right to require the Commissioner to prove the allegations in the Accusation
14 at a contested hearing held in accordance with the provisions of the APA and that they will waive
15 other rights afforded to them in connection with the hearing such as the right to present evidence
16 in their defense and the right to cross-examine witnesses.

17 4. This Stipulation is based on the factual allegations contained in the Accusation.
18 In the interest of expedience and economy, Respondents choose not to contest these allegations,
19 but to remain silent, and understand that, as a result thereof, these factual allegations, without
20 being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to
21 herein. The Real Estate Commissioner shall not be required to provide further evidence to prove
22 said factual allegations.

23 5. This Stipulation is made for the purpose of reaching an agreed disposition of
24 this proceeding and is expressly limited to this proceeding and any other proceeding or case in
25 which the Department or another licensing agency of this state, another state, or if the federal
26 government is involved, and otherwise shall not be admissible in any other criminal or civil

1 proceeding.

2 6. It is understood by the parties that the Real Estate Commissioner may adopt
3 this Stipulation as the Commissioner's Decision in this matter, thereby imposing the penalty and
4 sanctions on Respondents' real estate licenses and license rights as set forth in below "Order." In
5 the event that the Commissioner in his discretion does not adopt the Stipulation and Agreement,
6 the Stipulation shall be void and of no effect and Respondents shall retain the right to a hearing
7 and proceeding on the Accusation under the provisions of the APA and shall not be bound by any
8 admission or waiver made herein.

9 7. The Order or any subsequent Order of the Real Estate Commissioner made
10 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further
11 administrative or civil proceedings by the Department of Real Estate with respect to any matters
12 which were not specifically alleged to be causes for Accusation in this proceeding but do
13 constitute a bar, estoppel and merger as to any allegations actually contained in the Accusations
14 against Respondents herein.

15 8. Respondents understand that by agreeing to this Stipulation, Respondents agree
16 to pay, pursuant to Business and Professions Code ("Code") Section 10148, the cost of the audit
17 which resulted in the determination that Respondents committed the violations found in the
18 Determination of Issues. The amount of said costs for the original audit (SD 160029, SD
19 160035, and SD 160036 combined) is \$12,359.54. Respondents agree to pay, pursuant to Code
20 Section 10148, \$12,359.54 for the cost of Audit Nos. SD 160029, SD 160035, and SD 160036.

21 9. Respondents have received, read, and understand the "Notice Concerning
22 Costs of Subsequent Audit." Respondents further understand that by agreeing to this Stipulation,
23 the findings set forth below in the Determination of Issues become final, and the Commissioner
24 may charge Respondents for the cost of any subsequent audits conducted pursuant to Code
25 Section 10148 to determine if the violations have been corrected. The maximum cost of the
26 follow-up audits will not exceed one-hundred twenty-five percent (125%) of the cost of the

1 original audit; in the instant case, the cost of the original audit is \$12,359.54, and the maximum
2 cost of the follow-up audit will not exceed \$15,449.43. Therefore, Respondents may be charged
3 a maximum of \$15,449.43 in the event of a subsequent audit.

4 DETERMINATION OF ISSUES

5 By reason of the foregoing stipulations, admissions and waivers, and solely for the
6 purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed
7 that the following determination of issues shall be made:

8 The conduct, acts or omissions of Respondent IEI, as described in Paragraph 4,
9 herein above, are in violation of: Code Section 10145 and Regulation 2832.1; Code Section
10 10145 and Regulation 2831; Code Section 10145 and Regulation 2831.1; Code Section 10145
11 and Regulation 2831.2; Code Section 10145 and Regulation 2832; Code Section 10145 and
12 Regulation 2834; Code Sections 10145 and 10176(e) and Regulations 2835(a), 2835(b), and
13 2951; Code Section 10176(g) and Regulation 2830; Regulation 2950(h); and Code Section
14 10159.5 and Regulation 2731, and are bases for the suspension or revocation of the licenses and
15 license rights of Respondent IEI as a violation of the Real Estate Law pursuant to Code Sections
16 10177(d) and 10177(g).

17 The conduct, acts or omissions of Respondent MEAD, as described in Paragraph
18 4, herein above, are in violation of Code Section 10177(h), and are bases for the suspension or
19 revocation of the licenses and license rights of Respondent MEAD as a violation of the Real
20 Estate Law pursuant to Code Sections 10177(d) and 10177(g).

21 ORDER

22 WHEREFORE, THE FOLLOWING ORDER is hereby made:

23 I.

24 All licenses and licensing rights of Respondents DOUGLAS WASHBURN
25 MEAD and INLAND EQUITIES INC under the Real Estate Law are suspended for a period of
26 ninety (90) days from the effective date of this Decision and Order; provided, however, that:

27 DRE Stipulation & Agreement, H-04997 SD:
DOUGLAS WASHBURN MEAD & INLAND EQUITIES INC

1 1. Ninety (90) days of said suspension shall be stayed for two (2) years upon the
2 following terms and conditions:

3 a) Respondents MEAD and IEI shall obey all laws, rules and regulations
4 governing the rights, duties and responsibilities of a real estate licensee in the
5 State of California; and,

6 b) That no final subsequent determination be made, after hearing or upon
7 stipulation, that cause of disciplinary action occurred within two (2) years from
8 the effective date of this Decision and Order. Should such a determination be
9 made, the Commissioner may, in his discretion, vacate and set aside the stay
10 order and reimpose all or a portion of the stayed suspension. Should no such
11 determination be made, the stay imposed herein shall become permanent.

12 2. Respondent MEAD shall, within six (6) months from the effective date of this
13 Decision and Order, take and pass the Professional Responsibility Examination administered by
14 the Department, including the payment of the appropriate examination fee. If Respondent
15 MEAD fails to satisfy this condition, Respondent MEAD's real estate license shall
16 automatically be suspended until Respondent MEAD passes the examination.

17 3. Respondent MEAD shall, within nine (9) months from the effective date of this
18 Decision and Order, present evidence satisfactory to the Commissioner that Respondent MEAD
19 has, since the most recent issuance of an original or renewal real estate license, taken and
20 successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the
21 Real Estate Law for renewal of a real estate license. If Respondent MEAD fails to satisfy this
22 condition, Respondent MEAD's real estate license shall automatically be suspended until
23 Respondent MEAD presents evidence satisfactory to the Commissioner of having taken and
24 successfully completed the continuing education requirements. Proof of completion of the
25 continuing education courses must be delivered to the Department of Real Estate, Flag Section at
26 P.O. Box 137013, Sacramento, CA 95813-7013.


1 4. All license and licensing rights of Respondent MEAD are indefinitely
2 suspended unless or until Respondent MEAD provides evidence satisfactory to the
3 Commissioner or having taken and successfully completed the continuing education course on
4 trust fund accounting and handling specified in paragraph (3) of subdivision (a) of Section
5 10170.5 of the Business and Professions Code. Proof of satisfaction of these requirements
6 includes evidence that Respondent has successfully completed the trust fund account and
7 handling continuing education courses, no earlier than one hundred and twenty (120) days prior
8 to the effective date of the Decision and Order in this matter. Proof of completion of the trust
9 fund accounting and handling course must be delivered to the Department of Real Estate, Flag
10 Section at P.O. Box 137013, Sacramento, CA 95813-7013.

11 5. Pursuant to Section 10148 of the Code, Respondents IEI and MEAD shall pay
12 the sum of \$12,359.54 for the Commissioner's cost of the audit which led to this disciplinary
13 action. Respondents IEI and MEAD shall pay such cost within sixty (60) days of receiving an
14 invoice therefore from the Commissioner. Payment of audit costs should not be made until
15 Respondents receive the invoice. If Respondents fail to satisfy this condition in a timely manner
16 as provided for herein, Respondents' real estate licenses shall automatically be suspended until
17 payment is made in full, or until a decision providing otherwise is adopted following a hearing
18 held pursuant to this condition.

19 6. Pursuant to Section 10148 of the Code, Respondents IEI and MEAD shall pay
20 the Commissioner's reasonable cost, not to exceed \$15,449.43 [or, 125% of the original audit
21 cost], for a subsequent audit to determine if Respondents IEI and MEAD have corrected the
22 violations found in the Determination of Issues. In calculating the amount of the
23 Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary
24 for all persons performing audits of real estate brokers, and shall include an allocation for travel
25 time to and from the auditor's place of work. Respondents shall pay such cost within sixty (60)
26 days of receiving an invoice therefore from the Commissioner. Payment of the audit costs should

1 not be made until Respondents receive the invoice. If Respondents fail to satisfy this condition
2 in a timely manner as provided for herein, Respondents' real estate licenses shall automatically
3 be suspended until payment is made in full, or until a decision providing otherwise is adopted
4 following a hearing held pursuant to this condition.

5
6 DATED: 4-17-19



Julie L. To, Counsel for
Department of Real Estate

8 * * *

9 EXECUTION OF THE STIPULATION

10 We have read the Stipulation and Agreement. Its terms are understood by us and
11 are agreeable and acceptable to us. We understand that we are waiving rights given to us by the
12 California Administrative Procedure Act (including but not limited to Sections 11506, 11508,
13 11509 and 11513 of the Government Code), and we willingly, intelligently and voluntarily waive
14 those rights, including the right of requiring the Commissioner to prove the allegations in the
15 Accusation at a hearing at which we would have the right to cross-examine witnesses against us
16 and to present evidence in defense and mitigation of the charges.

17 MAILING AND FACSIMILE

18 Respondents can signify acceptance and approval of the terms and conditions of
19 this Stipulation and Agreement by sending a hard copy of the original signed signature page of
20 the Stipulation herein to Julie L. To, Legal Section, Department of Real Estate, 320 W. Fourth
21 St., Suite 350, Los Angeles, California 90013-1105. In the event of time constraints before an
22 administrative hearing, Respondents can signify acceptance and approval of the terms and
23 conditions of this Stipulation and Agreement by e-mailing a scanned copy of the signature page,
24 as actually signed by Respondents, to the Department counsel assigned to this case. Respondents
25 agree, acknowledge, and understand that by electronically sending to the Department a scan of
26 Respondents' actual signatures as they appear on the Stipulation and Agreement, that receipt of

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DRE Stipulation & Agreement, H-04997 SD:
DOUGLAS WASHBURN MEAD & INLAND EQUITIES INC

1 the scan by the Department shall be binding on Respondents as if the Department had received
2 the original signed Stipulation and Agreement.

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4 DATED: 4/10/2019


DOUGLAS WASHBURN MEAD, Respondent

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6 DATED: 4/10/2019


INLAND EQUITIES INC, Respondent
By: DOUGLAS WASHBURN MEAD, Designated Officer

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9 * * *

10 *I have reviewed the Stipulation and Agreement as to form and content and have*
11 *advised my clients accordingly.*

12 DATED: 4-12-19


Frank M. Buda, Attorney for Respondents
DOUGLAS WASHBURN MEAD and
INLAND EQUITIES INC

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15 * * *

16 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
17 Respondents DOUGLAS WASHBURN MEAD and INLAND EQUITIES INC, and shall
18 become effective at 12 o'clock noon on JUN 03 2019, 2019.

19 IT IS SO ORDERED May 1, 2019.

20 DANIEL J. SANDRI
21 ACTING REAL ESTATE COMMISSIONER

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