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1 DEPARTMENT OF REAL ESTATE
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013-1105
4 Telephone: (213) 620-2072

FILED

MAR - 5 2020

DEPT. OF REAL ESTATE

By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11 In the Matter of the Accusation against

DRE No. H-05053 SD

OAH No. 2019040503

12 HKT CAL, INC.,

13 JAMES BRAD BUTNER, individually and as
14 former designated officer for HKT Cal, Inc.,

15 JAMES DENNIS REIFEISS, individually and as
16 former designated officer for HKT Cal, Inc.,

16 Respondents.

**STIPULATION AND AGREEMENT
IN SETTLEMENT AND ORDER**

17
18 It is hereby stipulated by and between Respondent HKT CAL, INC. represented by
19 attorney Frank M. Buda; Respondent JAMES BRAD BUTNER represented by attorney Mary E.
20 Work; and Respondent JAMES DENNIS REIFEISS represented by attorney Fredrick M. Ray
21 and the Complainant, acting by and through Lissete Garcia, Counsel for the Department of Real
22 Estate ("Department"), as follows for the purpose of settling and disposing the Accusation filed
23 on March 13, 2019, with Department Case No. H-05053 SD ("Accusation") in this matter:

24 1. All issues which were to be contested and all evidence which was to be presented by

1 Complainant and Respondents HKT CAL, INC., JAMES BRAD BUTNER, and JAMES
2 DENNIS REIFEISS (collectively "Respondents") at a formal hearing on the Accusation, which
3 hearing was to be held in accordance with the provisions of the Administrative Procedure Act
4 ("APA"), shall instead and in place thereof be submitted on the basis of the provisions of this
5 Stipulation and Agreement in Settlement and Order ("Stipulation").

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

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

17 4. This Stipulation is based on the factual allegations contained in the Accusation filed in
18 this proceeding. In the interest of expedience and economy, Respondents choose not to contest
19 these factual allegations, but to remain silent and understand that, as a result thereof, these
20 factual statements, 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 such allegations.

23 5. This Stipulation and Respondents' decision not to contest the Accusation are made for
24 the purpose of reaching an agreed disposition of this proceeding and are expressly limited to this

1 proceeding and any other proceeding or case in which the Department, or another licensing
2 agency of this state, another state or if the federal government is involved and otherwise shall not
3 be admissible in any other criminal or civil proceedings.

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

11 7. The Order or any subsequent Order of the Real Estate Commissioner made pursuant to
12 this Stipulation and Agreement shall not constitute an estoppel, merger or bar to any further
13 administrative or civil proceedings by the Department of Real Estate with respect to any matters
14 which were not specifically alleged to be causes for accusation in this proceeding.

15 DETERMINATION OF ISSUES

16 By reason of the foregoing stipulation and agreement and solely for the purpose of
17 settlement of the pending Accusation without a hearing, it is stipulated and agreed that the
18 following determination of issues shall be made:

19 I.

20 The conduct, acts and/or omissions of Respondent HKT CAL, INC. as set forth herein
21 above in Paragraph 4, constitute cause for the suspension or revocation of all real estate licenses
22 and license rights of Respondent HKT CAL, INC. pursuant to the provisions of Code sections
23 10177(d) and 10177(g) for violation of Code section 10145 and Regulations of the Real Estate
24 Commissioner, Title 10, Chapter 6, California Code of Regulations ("Regulations") 2832.1,

1 2951, 2831, 2950(d), 2831.1, 2831.2, 2832, 2834, and 2950(g).

2 II.

3 The conduct, acts and/or omissions of Respondents JAMES BRAD BUTNER and
4 JAMES DENNIS REIFEISS as set forth herein above in Paragraph 4, constitute cause for the
5 suspension or revocation of all real estate licenses and license rights of Respondents JAMES
6 BRAD BUTNER and JAMES DENNIS REIFEISS pursuant to Code section 10177(h).

7 ORDER

8 I.

9 All licenses and licensing rights of Respondent HKT CAL, INC. under the Real Estate
10 Law are revoked; provided, however, a restricted corporate real estate broker license shall be
11 issued to Respondent HKT CAL, INC. pursuant to Section 10156.5 of the Code if Respondent
12 makes application therefor and pays to the Department the appropriate fee for the restricted
13 license within 90 days from the effective date of this Decision and Order. The restricted license
14 issued to Respondent HKT CAL, INC. shall be subject to all of the provisions of Section
15 10156.7 of the Code and to the following limitations, conditions and restrictions imposed under
16 authority of Section 10156.6 of that Code:

17 1. The restricted license issued to Respondent may be suspended prior to hearing by
18 Order of the Commissioner in the event of Respondent's conviction or plea of nolo contendere to
19 a crime which is substantially related to Respondent's fitness or capacity as a real estate licensee.

20 2. The restricted license issued to Respondent may be suspended prior to hearing by
21 Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that
22 Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands
23 Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted
24 license.

1 3. Respondent shall not be eligible to petition for the issuance of any unrestricted real
2 estate license nor for removal of any of the conditions, limitations or restrictions of a restricted
3 license until three (3) years have elapsed from the effective date of this Decision and Order.
4 Respondent shall not be eligible to apply for any unrestricted licenses until all restrictions
5 attaching to the license have been removed.

6 4. All licenses and licensing rights of Respondent HKT CAL, INC. are indefinitely
7 suspended unless or until Respondent HKT CAL, INC. pays its pro rata share of \$1,682.00 for
8 the Commissioner's reasonable cost of the investigation and enforcement which led to this
9 disciplinary action. Said payment shall be in the form of a cashier's check made payable to the
10 Department of Real Estate. **The investigative and enforcement costs must be delivered to the**
11 **Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013,**
12 **prior to the effective date of this Decision and Order. Payment of investigation and**
13 **enforcement costs should not be made until the Stipulation has been approved by the**
14 **Commissioner.**

15 5. Respondent HKT CAL, INC. is jointly liable with the other Respondents for payment
16 of the sum of \$20,675.60 for the Commissioner's cost of the audit which led to this disciplinary
17 action. Respondent HKT CAL, INC. shall pay its pro rata share of the audit costs, which is
18 \$6,891.87. **Respondent shall pay such cost within sixty (60) days of receiving an invoice**
19 **therefore from the Commissioner. Payment of audit costs should not be made until**
20 **Respondent receives an invoice.** If Respondent HKT CAL, INC. fails to satisfy this condition
21 in a timely manner as provided for herein, Respondent HKT CAL, INC.'s real estate licenses
22 shall automatically be suspended until payment is made in full, or until a decision providing
23 otherwise is adopted following a hearing held pursuant to this condition.

24

1 1. The restricted license issued to Respondent may be suspended prior to hearing by
2 Order of the Commissioner in the event of Respondent's conviction or plea of nolo contendere to
3 a crime which is substantially related to Respondent's fitness or capacity as a real estate licensee.

4 2. The restricted license issued to Respondent may be suspended prior to hearing by
5 Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that
6 Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands
7 Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted
8 license.

9 3. Respondent shall not be eligible to petition for the issuance of any unrestricted real
10 estate license nor for removal of any of the conditions, limitations or restrictions of a restricted
11 license until three (3) years have elapsed from the effective date of this Decision and Order.
12 Respondent shall not be eligible to apply for any unrestricted licenses until all restrictions
13 attaching to the license have been removed.

14 4. All licenses and licensing rights of Respondent JAMES BRAD BUTNER are
15 indefinitely suspended unless or until Respondent provides proof satisfactory to the
16 Commissioner, of having taken and successfully completed the continuing education course on
17 trust fund accounting and handling specified in paragraph (3) of subdivision (a) of Section
18 10170.5 of the Business and Professions Code. Proof of satisfaction of this requirement includes
19 evidence that Respondent has successfully completed the trust fund account and handling
20 continuing education course, no earlier than 120 days prior to the effective date of the Decision
21 and Order in this matter. **Proof of completion of the trust fund accounting and handling**
22 **course must be delivered to the Department of Real Estate, Flag Section at P.O. Box**
23 **137013, Sacramento, CA 95813-7013 or by fax at 916-263-8758, prior to the effective date**
24 **of this Decision and Order.**

1 5. All licenses and licensing rights of Respondent JAMES BRAD BUTNER are
2 indefinitely suspended unless or until Respondent JAMES BRAD BUTNER pays his pro rata
3 share of \$1,682.00 for the Commissioner's reasonable cost of the investigation and enforcement
4 which led to this disciplinary action. Said payment shall be in the form of a cashier's check
5 made payable to the Department of Real Estate. **The investigative and enforcement costs must**
6 **be delivered to the Department of Real Estate, Flag Section at P.O. Box 137013,**
7 **Sacramento, CA 95813-7013, prior to the effective date of this Decision and Order.**
8 **Payment of investigation and enforcement costs should not be made until the Stipulation**
9 **has been approved by the Commissioner.**

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

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

1 8. Respondent JAMES BRAD BUTNER is jointly liable with the other Respondents for
2 payment of the sum of \$20,675.60 for the Commissioner's cost of the audit which led to this
3 disciplinary action. Respondent JAMES BRAD BUTNER shall pay his pro rata share of the
4 audit costs, which is \$6,891.87. **Respondent shall pay such cost within sixty (60) days of**
5 **receiving an invoice therefore from the Commissioner. Payment of audit costs should not**
6 **be made until Respondent receives the invoice.** If Respondent JAMES BRAD BUTNER fails
7 to satisfy this condition in a timely manner as provided for herein, Respondent JAMES BRAD
8 BUTNER's real estate licenses shall automatically be suspended until payment is made in full, or
9 until a decision providing otherwise is adopted following a hearing held pursuant to this
10 condition.

11 III.

12 All licenses and licensing rights of Respondent JAMES DENNIS REIFEISS under the
13 Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be
14 issued to Respondent JAMES DENNIS REIFEISS pursuant to Section 10156.5 of the Code if
15 Respondent makes application therefor and pays to the Department the appropriate fee for the
16 restricted license within 90 days from the effective date of this Decision and Order. The
17 restricted license issued to Respondent JAMES DENNIS REIFEISS shall be subject to all of the
18 provisions of Section 10156.7 of the Code and to the following limitations, conditions and
19 restrictions imposed under authority of Section 10156.6 of that Code:

20 1. The restricted license issued to Respondent may be suspended prior to hearing by
21 Order of the Commissioner in the event of Respondent's conviction or plea of nolo contendere to
22 a crime which is substantially related to Respondent's fitness or capacity as a real estate licensee.

23 2. The restricted license issued to Respondent may be suspended prior to hearing by
24 Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that

1 Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands
2 Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted
3 license.

4 3. Respondent shall not be eligible to petition for the issuance of any unrestricted real
5 estate license nor for removal of any of the conditions, limitations or restrictions of a restricted
6 license until three (3) years have elapsed from the effective date of this Decision and Order.

7 Respondent shall not be eligible to apply for any unrestricted licenses until all restrictions
8 attaching to the license have been removed.

9 4. All licenses and licensing rights of Respondent JAMES DENNIS REIFEISS are
10 indefinitely suspended unless or until Respondent provides proof satisfactory to the
11 Commissioner, of having taken and successfully completed the continuing education course on
12 trust fund accounting and handling specified in paragraph (3) of subdivision (a) of Section
13 10170.5 of the Business and Professions Code. Proof of satisfaction of this requirement includes
14 evidence that Respondent has successfully completed the trust fund account and handling
15 continuing education course, no earlier than 120 days prior to the effective date of the Decision
16 and Order in this matter. **Proof of completion of the trust fund accounting and handling**
17 **course must be delivered to the Department of Real Estate, Flag Section at P.O. Box**
18 **137013, Sacramento, CA 95813-7013 or by fax at 916-263-8758, prior to the effective date**
19 **of this Decision and Order.**

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21 indefinitely suspended unless or until Respondent JAMES DENNIS REIFEISS pays his pro rata
22 share of \$1,682.00 for the Commissioner's reasonable cost of the investigation and enforcement
23 which led to this disciplinary action. Said payment shall be in the form of a cashier's check
24 made payable to the Department of Real Estate. **The investigative and enforcement costs must**

1 be delivered to the Department of Real Estate, Flag Section at P.O. Box 137013,
2 Sacramento, CA 95813-7013, prior to the effective date of this Decision and Order.

3 **Payment of investigation and enforcement costs should not be made until the Stipulation**
4 **has been approved by the Commissioner.**

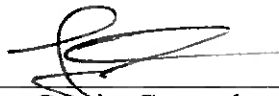
5 6. Respondent JAMES DENNIS REIFEISS shall, within six (6) months from the
6 effective date of this Decision and Order, take and pass the Professional Responsibility
7 Examination administered by the Department including the payment of the appropriate
8 examination fee. If Respondent JAMES DENNIS REIFEISS fails to satisfy this condition,
9 Respondent's real estate license shall automatically be suspended until Respondent passes the
10 examination.

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

21 8. Respondent JAMES DENNIS REIFEISS is jointly liable with the other Respondents
22 for payment of the sum of \$20,675.60 for the Commissioner's cost of the audit which led to this
23 disciplinary action. Respondent JAMES DENNIS REIFEISS shall pay his pro rata share of the
24 audit costs, which is \$6,891.87. **Respondent shall pay such cost within sixty (60) days of**

1 receiving an invoice therefore from the Commissioner. Payment of audit costs should not
2 be made until Respondent receives the invoice. If Respondent JAMES DENNIS REIFEISS
3 fails to satisfy this condition in a timely manner as provided for herein, Respondent JAMES
4 DENNIS REIFEISS's real estate licenses shall automatically be suspended until payment is
5 made in full, or until a decision providing otherwise is adopted following a hearing held pursuant
6 to this condition.

7 DATED: 1/21/2020


Lissete Garcia, Counsel
Department of Real Estate

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

16 Respondents can signify acceptance and approval of the terms and conditions of this
17 Stipulation and Agreement by electronically e-mailing a copy of the signature page, as actually
18 signed by Respondents, to the Department. Respondents agree, acknowledge, and understand
19 that by electronically sending to the Department an electronic copy of Respondents' actual
20 signatures, as they appear on the Stipulation, that receipt of the emailed copy by the Department
21 shall be as binding on Respondents as if the Department had received the original signed
22 Stipulation. By signing this Stipulation, Respondents understand and agree that Respondents
23 may not withdraw Respondents' agreement or seek to rescind the Stipulation prior to the time the
24

1 Commissioner considers and acts upon it or prior to the effective date of the Stipulation and
2 Order.

3 DATED: Jan 17, 2020

Ann Pamela Saez
Respondent HKT CAL, INC.

By (Printed Name): Ann Pamela Saez

Title: Vice President

6 DATED: 1-21-2020

Frank M. Buda
Frank M. Buda, Esq., Counsel for Respondent HKT Cal, Inc., *Approved as to Form*

9 DATED: _____

Respondent JAMES BRAD BUTNER

11 DATED: _____

Mary E. Work, Esq., Counsel for Respondent James Brad Butner, *Approved as to Form*

14 DATED: _____

Respondent JAMES DENNIS REIFEISS

16 DATED: _____

Fredrick M. Ray, Esq., Counsel for Respondent James Dennis Reifeiss, *Approved as to Form*

18 The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by
19 me as my Decision in this matter and shall become effective at 12 o'clock noon
20 on _____.

21 IT IS SO ORDERED _____.

22 ACTING REAL ESTATE COMMISSIONER

24 _____
SANDRA KNAU

1 Commissioner considers and acts upon it or prior to the effective date of the Stipulation and
2 Order.

3 DATED: _____
4 Respondent HKT CAL, INC.

5 By (Printed Name): _____

6 Title: _____

7 DATED: _____
8 Frank M. Buda, Esq., Counsel for Respondent HKT Cal.
9 Inc., *Approved as to Form*

10 DATED: 1-15-20 _____
11 
12 Respondent JAMES BRAD BUTNER

13 DATED: 1/22/2020 _____
14 Mary E. Work, Esq., Counsel for Respondent James
15 Brad Butner, *Approved as to Form*

16 DATED: _____
17 Respondent JAMES DENNIS REIFEISS

18 DATED: _____
19 Fredrick M. Ray, Esq., Counsel for Respondent James
20 Dennis Reifeiss, *Approved as to Form*

21 The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by
22 me as my Decision in this matter and shall become effective at 12 o'clock noon
23 on _____.

24 IT IS SO ORDERED _____

ACTING REAL ESTATE COMMISSIONER

SANDRA KNAU

1 Commissioner considers and acts upon it or prior to the effective date of the Stipulation and
2 Order.

3 DATED: _____ Respondent HKT CAL, INC.

4 By (Printed Name): _____


5 Title: _____

6 DATED: _____
7 Frank M. Buda, Esq., Counsel for Respondent HKT Cal,
8 Inc., *Approved as to Form*

9 DATED: _____ Respondent JAMES BRAD BUTNER

10 DATED: _____
11 Mary E. Work, Esq., Counsel for Respondent James
12 Brad Butner, *Approved as to Form*

13 DATED: 1/15/2020 _____
14 
Respondent JAMES DENNIS REIFEISS

15 DATED: 1/15/2020 _____
16 
17 Fredrick M. Ray, Esq., Counsel for Respondent James
Dennis Reifeiss, *Approved as to Form*

18 * * *

19 The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by
20 me as my Decision in this matter and shall become effective at 12 o'clock noon
21 on _____.

22 IT IS SO ORDERED _____

23 ACTING REAL ESTATE COMMISSIONER

24 _____
SANDRA KNAU

1 Commissioner considers and acts upon it or prior to the effective date of the Stipulation and
2 Order.

3 DATED: _____
4 Respondent HKT CAL, INC.

5 By (Printed Name): _____

6 Title: _____

7 DATED: _____
8 Frank M. Buda, Esq., Counsel for Respondent HKT Cal,
9 Inc., *Approved as to Form*

10 DATED: _____
11 Respondent JAMES BRAD BUTNER

12 DATED: _____
13 Mary E. Work, Esq., Counsel for Respondent James
14 Brad Butner, *Approved as to Form*

15 DATED: _____
16 Respondent JAMES DENNIS REIFEISS

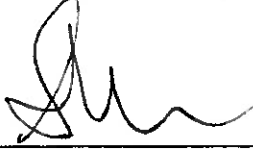
17 DATED: _____
18 Fredrick M. Ray, Esq., Counsel for Respondent James
19 Dennis Reifeiss, *Approved as to Form*

20 * * *

21 The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by
22 me as my Decision in this matter and shall become effective at 12 o'clock noon
23 on April 3, 2020

24 IT IS SO ORDERED 2/27/20

ACTING REAL ESTATE COMMISSIONER



SANDRA KNAU