

FILED

MAR - 8 2011

DEPARTMENT OF REAL ESTATE

[Signature]

1 Department of Real Estate
2 P.O. Box 187007
3 Sacramento, CA 95818-7007
4 Telephone: (916) 227-0789

7 BEFORE THE DEPARTMENT OF REAL ESTATE
8 STATE OF CALIFORNIA

9 * * *

10 In the Matter of the Accusation of)
11)
12 ELK HALL INVESTORS, INC.,)
13 a California Corporation, JON ANTHONY)
14 NASTRO, LORI PILATTI MODE and)
15 BRUCE WILLIAM DURHAM,)
16 Respondents.)

No. H-5306 SAC

OAH No. 2010061040

STIPULATION AND AGREEMENT
IN SETTLEMENT AND ORDER
AS TO LORI PILATTI MODE AND
BRUCE WILLIAM DURHAM
ONLY

17 It is hereby stipulated by and between LORI PILATTI MODE and
18 BRUCE WILLIAM DURHAM (Respondents) and their attorney, Christopher D.N. Hanson,
19 Esq., and the Complainant, acting by and through Angela L. Cash, Counsel for the Department
20 of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on
21 November 19, 2009 in this matter:

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

27 ///

1 2. Respondents have received, read and understand the Statement to
2 Respondent, and the Discovery Provisions of the APA filed by the Department of Real Estate in
3 this proceeding.

4 3. Respondents filed a Notice of Defense on December 1, 2009 pursuant to
5 Section 11505 of the Government Code for the purpose of requesting a hearing on the allegations
6 in the Accusation. Respondents hereby freely and voluntarily withdraw said Notice of Defense.
7 Respondents acknowledge that they understand that by withdrawing said Notice of Defense they
8 will thereby waive their right to require the Commissioner to prove the allegations in the
9 Accusation at a contested hearing held in accordance with the provisions of the APA, and that
10 they will waive other rights afforded to them in connection with the hearing such as the right to
11 present evidence in defense of the allegations in the Accusation and the right to cross-examine
12 witnesses.

13 4. This stipulation is based on the factual allegations contained in the
14 Accusation. In the interest of expediency and economy, Respondents choose not to contest these
15 factual allegations, but to remain silent and understand that, as a result thereof, these factual
16 allegations, without being admitted or denied, will serve as a prima facie basis for the
17 "Determination of Issues" and "Order" set forth below. The Real Estate Commissioner shall not
18 be required to provide further evidence to prove such allegations.

19 5. This Stipulation and Respondents' decision not to contest the Accusation
20 are made for the purpose of reaching an agreed disposition of this proceeding and are expressly
21 limited to this proceeding and any other proceeding or case in which the Department of Real
22 Estate (the Department), the state or federal government, an agency of this state, or an agency of
23 another state is a party.

24 6. It is understood by the parties that the Real Estate Commissioner may
25 adopt the Stipulation and Agreement as his decision in this matter thereby imposing the penalty
26 and sanctions on the real estate licenses and license rights of Respondents as set forth in the
27 below "Order". In the event that the Commissioner in his discretion does not adopt the

1 Stipulation and Agreement in Settlement, it shall be void and of no effect, and Respondents
2 shall retain the right to a hearing and proceeding on the Accusation under all the provisions of
3 the APA and shall not be bound by any admission or waiver made herein.

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

8 DETERMINATION OF ISSUES

9 By reason of the foregoing stipulations, admissions, and waivers, and for the
10 purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed
11 that the following determinations of issues shall be made:

12 The acts and/or omissions of Respondents LORI PILATTI MODE and
13 BRUCE WILLIAM DURHAM as stipulated above constitute grounds for disciplinary action
14 against the real estate licenses and license rights of Respondents under the provision of Sections
15 11012 and 11018.2 in conjunction with Section 10177(d) of the California Business and
16 Professions Code (the Code) and 10177(g) of the Code.

17 ORDER

18 All real estate licenses and license rights of Respondents LORI PILATTI MODE
19 and BRUCE WILLIAM DURHAM are publicly reprovod pursuant to Section 495 of the Code.

20
21 12/24/10

22 DATED

23 

24 ANGELA L. CASH
25 Counsel for Complainant

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27 ///

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1
 2 I have read the Stipulation and Agreement in Settlement, discussed it with my
 3 counsel, and its terms are understood by me and are agreeable and acceptable to me. I
 4 understand that I am waiving rights given to me by the California Administrative Procedure Act,
 5 and I willingly, intelligently and voluntarily waive those rights, including the right of requiring
 6 the Commissioner to prove the allegations in the Accusation at a hearing at which I would have
 7 the right to cross-examine witnesses against me and to present evidence in defense and
 8 mitigation of the charges.

12/10/10

DATED

LORI PILATTI MODE
Respondent

12/10/10

DATED

BRUCE WILLIAM DURHAM
Respondent

16 I have reviewed the Stipulation and Agreement in Settlement as to form and
 17 content and have advised my clients accordingly.

12/13/10

DATED

CHRISTOPHER D.N. HANSON
Attorney for Respondents

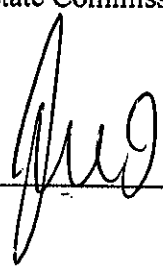
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The foregoing Stipulation and Agreement in Settlement and Order is hereby
adopted as my Decision and shall become effective at 12 o'clock noon on
MAR 29 2011

IT IS SO ORDERED 3/1/2011

JEFF DAVI
Real Estate Commissioner



FILED

MAR - 8 2011

DEPARTMENT OF REAL ESTATE

[Signature]

1 Department of Real Estate
2 P.O. Box 187007
3 Sacramento, CA 95818-7007
4 Telephone: (916) 227-0789
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7 BEFORE THE DEPARTMENT OF REAL ESTATE
8 STATE OF CALIFORNIA

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10 In the Matter of the Accusation of)
11)
12 ELK HALL INVESTORS, INC.,)
13 a California Corporation, JON ANTHONY)
14 NASTRO, LORI PILATTI MODE and)
15 BRUCE WILLIAM DURHAM,)
16 Respondents.)

No. H-5306 SAC

OAH No. 2010061040

STIPULATION AND AGREEMENT
IN SETTLEMENT AND ORDER
AS TO ELK HALL INVESTORS,
INC. AND JON ANTHONY
NASTRO ONLY

17 It is hereby stipulated by and between ELK HALL INVESTORS, INC. and
18 JON ANTHONY NASTRO (Respondents) and their attorney, Mary E. Work, Esq., and the
19 Complainant, acting by and through Angela L. Cash, Counsel for the Department of Real
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13 JON ANTHONY NASTRO as stipulated above constitute grounds for disciplinary action
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19 INVESTORS, INC. and JON ANTHONY NASTRO are publicly reprovod pursuant to Section
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21
22 12/21/10

23 DATED

24
25 

26 ANGELA L. CASH
27 Counsel for Complainant

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27 ///

I have read the Stipulation and Agreement in Settlement, discussed it with my counsel, and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act, and I willingly, intelligently and voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

12-8-10

DATED

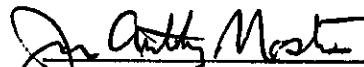


ELK HALL INVESTORS, INC.

Respondent *Rick VanDoren, PRESIDENT*

12/8/2010

DATED



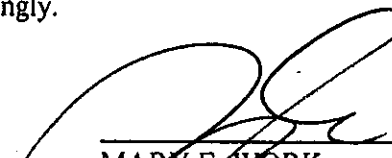
JON ANTHONY NASTRO

Respondent

I have reviewed the Stipulation and Agreement in Settlement as to form and content and have advised my clients accordingly.

12/13/10

DATED



MARY E. WORK

Attorney for Respondents

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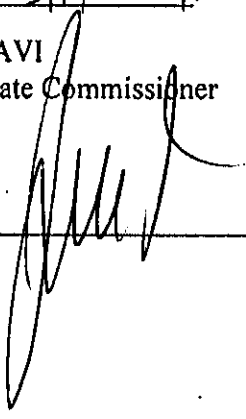
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The foregoing Stipulation and Agreement in Settlement and Order is hereby
adopted as my Decision and shall become effective at 12 o'clock noon on
MAR 29 2011

IT IS SO ORDERED 3/1/2011

JEFF DAVI
Real Estate Commissioner



A handwritten signature in black ink, appearing to read 'Jeff Davi', is written over a horizontal line. The signature is stylized and cursive.

FILED

NOV 19 2009

DEPARTMENT OF REAL ESTATE

By R. Henry

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ANGELA L. CASH, Counsel
State Bar No. 230882
Department of Real Estate
P.O. Box 187007
Sacramento, CA 95818-7007

Telephone: (916) 227-0785

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)	No. H- 5306 SAC
)	
ELK HALL INVESTORS, INC.,)	<u>ACCUSATION</u>
a California Corporation,)	
JON ANTHONY NASTRO,)	
LORI PILATTI MODE and)	
BRUCE WILLIAM DURHAM,)	
Respondents.)	

The Complainant, Tricia D. Sommers, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against ELK HALL INVESTORS, INC., a California Corporation doing business as Keller Williams Realty Elk Grove (hereinafter "ELK HALL INVESTORS"), JON ANTHONY NASTRO (hereinafter "NASTRO"), LORI PILATTI MODE (hereinafter "MODE") and BRUCE WILLIAM DURHAM (hereinafter "DURHAM") (collectively referred to as "Respondents") is informed and alleges as follows:

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Complainant makes this Accusation in her official capacity.

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Respondents are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) (hereinafter "Code").

3

At all times herein mentioned, Respondent ELK HALL INVESTORS was and now is licensed by the Department of Real Estate of the State of California (hereinafter "the Department") as a corporate real estate broker by and through Respondent NASTRO as designated officer-broker of Respondent ELK HALL INVESTORS to qualify said corporation and to act for said corporation as a real estate broker.

4

At all times herein mentioned Respondent NASTRO was licensed as a real estate broker individually and beginning on or about September 23, 2008 as the designated broker-officer for Respondent ELK HALL INVESTORS. As said designated officer-broker, Respondent NASTRO was at all times mentioned herein 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 Respondent ELK HALL INVESTORS for which a license is required.

5

At all times herein mentioned, Respondent ELK HALL INVESTORS acted in the capacity of, advertised, or assumed to act as a real estate broker within the State of California within the meaning of Sections 10131(a) of the Code, including the operation and conduct of a real estate brokerage business with the public wherein, on behalf of others, for compensation or in expectation of compensation, Respondent sold and offered to sell, solicited prospective sellers and purchasers of, and negotiated the purchase and sale of real property.

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

At all times material herein, Respondents MODE and DURHAM were licensed as real estate salespersons in the employ of Respondent ELK HALL INVESTORS.

At all times mentioned herein Respondents were the owners or subdividers, or agents of the owners or subdividers of subdivided lands as defined in Section 11000 of the Code.

Said subdivision is known as or commonly called "Monterey Village", and is located in or near the County of Sacramento, State of California (hereinafter "Subdivision").

In approximately January 2007, the Department issued the following three separate Final Subdivision Public Reports to Dunmore Laguna Reserve, LLC:

Report Number	Phase	Lots Covered by Report	Date Report Issued
124118SA-F00	1	114-141	January 10, 2007
126607SA-F00	2	64-75 and 100-113	January 10, 2007
126688SA-F00	3	176-192, 203-212 and 253-265	January 16, 2007

11

The public reports identified in paragraph 10, above, authorized Dunmore Laguna Reserve, LLC to offer for sale, negotiate the sale and sell the lots covered by the public reports as identified in paragraph 10, above.

12

In approximately 2008, BHT Elk Grove KB, LLC (hereinafter "BHT") acquired title to the following lots in the Subdivision: 1-64, 66, 72-74, 76-100, 102-104, 117, 119, 121 and 142-264. By acquiring title of some of the subdivision interests in the Subdivision, Dunmore Laguna Reserve, LLC made a material change in the setup of the offering described in the public reports identified above in paragraph 10, without first notifying the Department in writing of such intended change.

13

On approximately January 16, 2009, BHT entered into a residential listing agreement with Respondents MODE and DURHAM, as agents for Respondent ELK HALL INVESTORS, to list the following properties in the Subdivision:

Address	APN	Lot
5020 Ocean Lane	132-1860-115	119
5213 Ocean Lane	132-1860-074	74
5105 Ocean Lane	132-1860-064	64
5204 Ocean Lane	132-1860-099	99
5200 Ocean Lane	132-1860-100	104
9987 Macabee Lane	132-1860-004	4
9995 Macabee Lane	132-1860-006	6

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In approximately March 2009, without first applying for or obtaining a public report authorizing such offering, negotiation, or sale, Respondents solicited prospective purchasers and offered for sale lots in the Subdivision including but not limited to accepting a reservation from Seth and Dominique Anderson (lot 74) and Jeremias Zavaleta (lot 64).

15

The acts and omissions of Respondents described in Paragraphs 13 and 14, above, violate Sections 11012 and 11018.2 of the Code and constitute cause for the suspension or revocation of the licenses and license rights of Respondents under Section 10177(d) of the Code.

16

The acts and omissions of Respondents described in Paragraphs 13 and 14, above, constitute cause for the suspension or revocation of the licenses and license rights of Respondents under Section 10177(g) of the Code.

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


TRICIA D. SOMMERS
Deputy Real Estate Commissioner

Dated at Sacramento, California,
this 2nd day of November, 2009