


FILED

MAR 27 2012

~~Department of Real Estate~~
BY: 

1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 187007
3 Sacramento, CA 95818-7007

4 Telephone: (916) 227-0789
5
6

7 BEFORE THE DEPARTMENT OF REAL ESTATE
8 STATE OF CALIFORNIA

9 * * *

10 In the Matter of the Accusation of)
11 RIVERSIDE CORP, a California Corporation,) No. H-5317 SAC
12 RORY LEE HOELKER, and) OAH No. 2011040496
13 MICHELLE CELESTE PETRUZELLI,)
14 Respondents.)

15 In the Matter of the Accusation of)
16 MATTHEW WAYNE STEWART,) NO. H-5482 SAC
17 DANCE HALL INVESTORS, INC., a) OAH No. 2011040494
18 California corporation,)
19 WAYNE THOMAS HALL,)
20 RIVERSIDE CORP, a California corporation,)
and RORY LEE HOELKER,)
Respondents.)

21 STIPULATION AND AGREEMENT

22 It is hereby stipulated by and between Respondent RIVERSIDE CORP, and
23 RORY LEE HOELKER (hereinafter "Respondents"), acting by and through their attorney,
24 Justin Dain Hein, and the Complainant, acting by and through Michael B. Rich, Counsel for the
25 Department of Real Estate, as follows for the purpose of settling and disposing of the
26 Accusation filed December 17, 2009, under Department Case No. H-5317 SAC and for the
27

No. H-5317 SAC and No. H-5482 SAC
RIVERSIDE CORP and RORY LEE HOELKER

1 purpose of settling and disposing of the First Amended Accusation filed on July 7, 2011, under
2 Department Case No. H-5482 SAC (hereinafter collectively "the Accusations"):

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

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

11 3. On January 6, 2010, Respondents filed Notices of Defense in Case No.
12 5317 SAC and on October 25, 2010, Respondents filed Notices of Defense in Case No. 5482
13 SAC pursuant to Section 11505 of the Government Code for the purpose of requesting a hearing
14 on the allegations in the Accusations. Respondents hereby freely and voluntarily withdraw said
15 Notices of Defense. Respondents acknowledge that they understand that by withdrawing said
16 Notices of Defense Respondents will thereby waive Respondents' right to require the
17 Commissioner to prove the allegations in the Accusation at a contested hearing held in
18 accordance with the provisions of the APA and that Respondents will waive other rights
19 afforded to Respondents in connection with the hearing such as the right to present evidence in
20 defense of the allegations in the Accusation and the right to cross-examine witnesses.

21 4. Respondents, pursuant to the limitations set forth below, hereby admit
22 that the factual allegations in the Accusations pertaining to Respondents are true and correct
23 and stipulate and agree that the Real Estate Commissioner shall not be required to provide
24 further evidence of such allegations.

25 5. It is understood by the parties that the Real Estate Commissioner may
26 adopt the Stipulation and Agreement as her decision in this matter, thereby imposing the penalty
27 and sanctions on Respondents' real estate license and license rights as set forth in the "Order"

1 below. In the event that the Commissioner in her discretion does not adopt the Stipulation and
2 Agreement, it shall be void and of no effect, and Respondents shall retain the right to a hearing
3 and proceeding on the Accusations under all the provisions of the APA and shall not be bound
4 by any admission or waiver made herein.

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

9 DETERMINATION OF ISSUES

10 By reason of the foregoing stipulations, admissions and waivers and solely for
11 the purpose of settlement of the pending Accusation without hearing, it is stipulated and agreed
12 that the following Determination of Issues shall be made:

13 I

14 The acts and omissions of Respondent RIVERSIDE CORP described in the
15 Accusation under Case No. H-5317 SAC are grounds for the suspension or revocation of the
16 licenses and license rights of Respondent under the provisions of Sections 10176(a), 10176(b),
17 10176(g), 10176(i), 10177(g), and Section 10177(i) of the Code, and under Sections 10232.5,
18 10232.5(a)(6), and Section 10240 of the Code all in conjunction with Section 10177(d) of the
19 Code.

20 II

21 The acts and omissions of Respondent RIVERSIDE CORP described in the
22 Accusation under Case No. H-5482 SAC are grounds for the suspension or revocation of the
23 licenses and license rights of Respondents under the provisions of Sections 10176(a), 10176(f),
24 10176(g), 10176(i), 10177(g), and Section 10177(j) of the Code.

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III

The acts and omissions of Respondent RORY LEE HOELKER described in the Accusation under Case No. H-5317 SAC and in the Accusation under Case No. 5482 SAC are grounds for the suspension or revocation of the licenses and license rights of Respondent under the provisions of Section 10159.2 of the Code and Section 2725 of the Regulations all in conjunction with Section 10177(d) of the Code and Section 10177(h) of the Code.

ORDER

I

The corporate real estate broker licenses and all license rights of Respondent RIVERSIDE CORP under the Real Estate Law are revoked; provided, however, a restricted corporate real estate broker license shall be issued to Respondent RIVERSIDE CORP pursuant to Section 10156.5 of the Business and Professions Code if Respondent makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within ninety (90) days from the effective date of this Decision. The restricted license issued to Respondent RIVERSIDE CORP (permitting Respondent to conduct all activities permitted by a broker license) shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

1. The restricted license issued to Respondent RIVERSIDE CORP may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondent's conviction or plea of nolo contendere to a crime which is substantially related to Respondent's fitness or capacity as a real estate licensee.
2. The restricted license issued to Respondent RIVERSIDE CORP may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands

1 Law, Regulations of the Real Estate Commissioner or conditions
2 attaching to the restricted license.

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

7 4. Any restricted real estate broker license issued to Respondent
8 RIVERSIDE CORP may be suspended or revoked for a violation by
9 Respondent of any of the conditions attaching to the restricted license.

10 5. The restricted license issued to Respondent RIVERSIDE CORP is
11 suspended for a period of sixty (60) days from the date of issuance of
12 said restricted license; provided, however, that if Respondent petitions,
13 thirty (30) days of said suspension (or a portion thereof) shall be stayed
14 upon condition that:

15 (a.) Respondent pays a monetary penalty pursuant to Section 10175.2
16 of the Business and Professions Code at the rate of \$100.00 for
17 each day of the suspension for a total monetary penalty of
18 \$3,000.00.

19 (b.) Said payment shall be in the form of a cashier's check or
20 certified check made payable to the Consumer Recovery Account
21 of the Real Estate Fund. Said check must be delivered to the
22 Department prior to the effective date of the Decision in this
23 matter.

24 (c.) No further cause for disciplinary action against the real estate
25 license of Respondent occurs within three (3) years from the
26 effective date of the Decision in this matter.

27 ///

1 (d.) If Respondent fails to pay the monetary penalty in accordance
2 with the terms and conditions of the Decision, the Commissioner
3 may, without a hearing, order the immediate execution of all or
4 any part of the stayed suspension in which event the Respondent
5 shall not be entitled to any repayment nor credit, prorated or
6 otherwise, for money paid to the Department under the terms of
7 this Decision.

8 (e.) If Respondent pays the monetary penalty and if no further cause
9 for disciplinary action against the real estate license of
10 Respondent occurs within three (3) years from the effective date
11 of the Decision, the stay hereby granted shall become permanent.

12 6. Thirty (30) days of said sixty-(60) day suspension shall be stayed upon
13 condition that:

14 (a) No final subsequent determination be made, after hearing or upon
15 stipulation, that cause for disciplinary action against Respondent
16 occurred within three (3) years of the effective date of the
17 Decision herein.

18 (b) Should such a determination be made, the Commissioner may, in
19 his or her discretion, vacate and set aside the stay order, and order
20 the execution of all or any part of the stayed suspension, in which
21 event the Respondent shall not be entitled to any repayment nor
22 credit, prorated or otherwise, for money paid to the Department
23 under the terms of this Decision.

24 (c) If no order vacating the stay is issued, and if no further cause for
25 disciplinary action against the real estate license of Respondent
26 occurs within three (3) years from the effective date of the
27 Decision, then the stay hereby granted shall become permanent.

1 which is substantially related to Respondent's fitness or capacity as a real
2 estate licensee.

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

7 4. Respondent RORY LEE HOELKER shall, within nine (9) months from the
8 effective date of the Decision, present evidence satisfactory to the Real
9 Estate Commissioner that Respondent has, since the most recent issuance
10 of an original or renewal real estate license, taken and successfully
11 completed the continuing education requirements of Article 2.5 of Chapter
12 3 of the Real Estate Law for renewal of a real estate license. If Respondent
13 fails to satisfy this condition, the Commissioner may order the suspension
14 of the restricted license until the Respondent presents such evidence. The
15 Commissioner shall afford Respondent the opportunity for a hearing
16 pursuant to the Administrative Procedure Act to present such evidence.

17 5. Respondent RORY LEE HOELKER shall, within six (6) months from the
18 effective date of this Decision, take and pass the Professional
19 Responsibility Examination administered by the Department including the
20 payment of the appropriate examination fee. If Respondent fails to satisfy
21 this condition, the Commissioner may order suspension of Respondent's
22 license until Respondent passes the examination.

23 6. The restricted license issued to Respondent RORY LEE HOELKER is
24 suspended for a period of sixty (60) days from the date of issuance of said
25 restricted license; provided, however, that if Respondent petitions, thirty
26 (30) days of said suspension (or a portion thereof) shall be stayed upon
27 condition that:

1 (a.) Respondent pays a monetary penalty pursuant to Section 10175.2 of
2 the Business and Professions Code at the rate of \$100.00 for each
3 day of the suspension for a total monetary penalty of \$3,000.00.

4 (b.) Said payment shall be in the form of a cashier's check or certified
5 check made payable to the Consumer Recovery Account of the Real
6 Estate Fund. Said check must be delivered to the Department prior to
7 the effective date of the Decision in this matter.

8 (c.) No further cause for disciplinary action against the real estate license
9 of Respondent occurs within three (3) years from the effective date
10 of the Decision in this matter.

11 (d.) If Respondent fails to pay the monetary penalty in accordance with
12 the terms and conditions of the Decision, the Commissioner may,
13 without a hearing, order the immediate execution of all or any part of
14 the stayed suspension in which event the Respondent shall not be
15 entitled to any repayment nor credit, prorated or otherwise, for
16 money paid to the Department under the terms of this Decision.

17 (e.) If Respondent pays the monetary penalty and if no further cause for
18 disciplinary action against the real estate license of Respondent
19 occurs within three (3) years from the effective date of the Decision,
20 the stay hereby granted shall become permanent.

21 7. Thirty (30) days of said sixty-(60) day suspension shall be stayed upon
22 condition that:

23 (a.) No final subsequent determination be made, after hearing or upon
24 stipulation, that cause for disciplinary action against Respondent
25 occurred within three (3) years of the effective date of the Decision
26 herein.

27 (b.) Should such a determination be made, the Commissioner may, in his

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or her discretion, vacate and set aside the stay order, and order the execution of all or any part of the stayed suspension, in which event the Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

(c) If no order vacating the stay is issued, and if no further cause for disciplinary action against the real estate license of Respondent occurs within three (3) years from the effective date of the Decision, then the stay hereby granted shall become permanent.

8. Respondent RORY LEE HOELKER, together with Respondent RIVERSIDE CORP, shall, within twenty-four (24) months from the effective date of this Decision, provide evidence satisfactory to the Commissioner that Respondent has reimbursed Teresa Zuccala the sum of \$15,500.00. If Respondent fails to satisfy this condition within 24 months from the effective date of this Decision, the Commissioner may order suspension of Respondent's restricted license until Respondent has submitted such evidence that Teresa Zuccala has been so reimbursed.

February 27, 2012
DATED

Michael B. Rich
MICHAEL B. RICH, Counsel
Department of Real Estate

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I have read the Stipulation and Agreement 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 (including but not limited to Sections 11506, 11508, 11509, and 11513 of the Government Code), 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.

RIVERSIDE CORP.
Respondent

2-3-2012
DATED

By: Rory Hoelker
RORY LEE/HOELKER
Title: Broker

2-3-2012
DATED

Rory Hoelker
RORY LEE/HOELKER, Respondent

Approved as to form and content by counsel for Respondents.

2/8/2012
DATED

Justin Dain Hein
JUSTIN DAIN HEIN
Attorney for Respondents

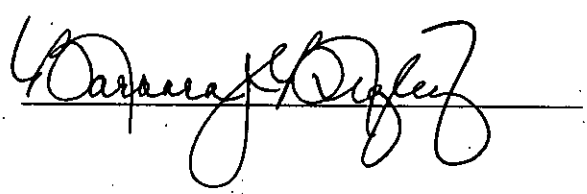
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The foregoing Stipulation and Agreement is hereby adopted by me as my
Decision in this matter as to Respondent RIVERSIDE CORP and Respondent RORY LEE
HOELKER and shall become effective at 12 o'clock noon on APR 16 2012

IT IS SO ORDERED 3/23/12

BARBARA J. BIGBY
Acting Real Estate Commissioner



Barbara J. Bigby

1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 187007
3 Sacramento, CA 95818-7007
4 Telephone: (916) 227-0789

FILED
OCT 12 2011

DEPARTMENT OF REAL ESTATE

By [Signature]

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12) NO. H-5482 SAC
13 MATTHEW WAYNE STEWART,)
14 DANCE HALL INVESTORS, INC., a) STIPULATION AND AGREEMENT
15 California corporation, WAYNE THOMAS HALL,)
16 RIVERSIDE CORP, a California corporation,)
17 and RORY LEE HOELKER,)
18 Respondents.)

18 It is hereby stipulated by and between Respondent DANCE HALL
19 INVESTORS, INC., and WAYNE THOMAS HALL (hereinafter referred to as
20 "Respondents"), acting by and through their attorney of record, Mary E. Work, and the
21 Complainant, acting by and through Michael B. Rich, Counsel for the Department of Real
22 Estate, as follows for the purpose of settling and disposing of the First Amended Accusation
23 filed on July 7, 2011, in this matter (hereinafter "the Accusation"):

24 1. All issues which were to be contested and all evidence which was to be
25 presented by Complainant and Respondents at a formal hearing on the Accusation, which
26 hearing was to be held in accordance with the provisions of the Administrative Procedure Act

27 H-5482 SAC DANCE HALL INVESTORS, INC., and WAYNE THOMAS HALL

1 (APA), shall instead and in place thereof be submitted solely on the basis of the provisions of
2 this Stipulation and Agreement.

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

6 3. On October 11, 2010, Respondents filed a Notices of Defense pursuant to
7 Section 11505 of the Government Code for the purpose of requesting a hearing on the
8 allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said
9 Notices of Defense. Respondents acknowledge that Respondents understands that by
10 withdrawing said Notices of Defense, Respondents will thereby waive Respondents' right to
11 require the Commissioner to prove the allegations in the Accusation at a contested hearing held
12 in accordance with the provisions of the APA and that Respondents will waive other rights
13 afforded to Respondents in connection with the hearing such as the right to present evidence in
14 defense of the allegations in the Accusation and the right to cross-examine witnesses.

15 4. Respondents, pursuant to the limitations set forth below, hereby admit that
16 the factual allegations in the Accusation, only as set forth below in the Determination of Issues,
17 pertaining to Respondents are true and correct and stipulate and agree that the Real Estate
18 Commissioner shall not be required to provide further evidence of such allegations.

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

26 6. This Stipulation and Agreement shall not constitute an estoppel, merger or
27

1 bar to any further administrative or civil proceedings by the Department of Real Estate with
2 respect to any matters which were not specifically alleged to be causes for accusation in this
3 proceeding.

4 DETERMINATION OF ISSUES

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

8 I

9 The acts and omissions of Respondent DANCE HALL INVESTORS, INC.,
10 described in the Accusation are grounds for the suspension or revocation of the licenses and
11 license rights of Respondent under the provisions of Section 10177(g) of the Code.

12 II

13 The acts and omissions of Respondent WAYNE THOMAS HALL described in
14 the Accusation are grounds for the suspension or revocation of the licenses and license rights of
15 Respondent under the provisions of Section 10159.2 of the Code and Section 2725 of the
16 Regulations all in conjunction with Section 10177(d) of the Code and under the provisions of
17 Section 10177(h) of the Code.

18 ORDER

19 I

20 All licenses and licensing rights of Respondent DANCE HALL
21 INVESTORS, INC., under the Real Estate Law are suspended for a period of sixty (60) days
22 from the effective date of the Decision herein provided, however:

23 1. If Respondent DANCE HALL INVESTORS, INC., petitions, thirty (30)
24 days of the sixty (60) day suspension shall be stayed upon the condition that:

25 (a) Respondent DANCE HALL INVESTORS, INC., pays a monetary penalty
26 pursuant to Section 10175.2 of the Code of \$4,500.00.

1 (b) Said payment shall be in the form of a cashier's check or certified check
2 made payable to the Recovery Account of the Real Estate Fund. Said check must be received by
3 the Department prior to the effective date of the Decision in this matter.

4 (c) If Respondent DANCE HALL INVESTORS, INC., fails to pay the
5 monetary penalty in accordance with the terms and conditions of the Decision, the
6 Commissioner may, without a hearing, vacate and set aside the stay order, and order the
7 immediate execution of all or any part of the stayed suspension.

8 (d) No final subsequent determination be made, after hearing or upon
9 stipulation, that cause for disciplinary action against Respondent DANCE HALL INVESTORS,
10 INC., occurred within two (2) years of the effective date of the Decision herein. Should such a
11 determination be made, the Commissioner may, in his or her discretion, vacate and set aside the
12 stay order, and order the execution of all or any part of the stayed suspension, in which event the
13 Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money
14 paid to the Department under the terms of this Decision.

15 (e) If Respondent DANCE HALL INVESTORS, INC., pays the monetary
16 penalty and if no further cause for disciplinary action against the real estate license of
17 Respondent occurs within two (2) years from the effective date of the Decision herein, then the
18 stay hereby granted shall become permanent.

19 2. Thirty (30) days of said sixty (60) day suspension shall be stayed upon
20 condition that:

21 (a) No final subsequent determination be made, after hearing or upon
22 stipulation, that cause for disciplinary action against Respondent DANCE HALL INVESTORS,
23 INC., occurred within two (2) years of the effective date of the Decision herein.

24 (b) Should such a determination be made, the Commissioner may, in his or her
25 discretion, vacate and set aside the stay order, and order the execution of all or any part of the
26 stayed suspension, in which event the Respondent DANCE HALL INVESTORS, INC., shall
27

1 not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the
2 Department under the terms of this Decision.

3 (c) If no order vacating the stay is issued, and if no further cause for disciplinary
4 action against the real estate license of Respondent DANCE HALL INVESTORS, INC., occurs
5 within two (2) years from the effective date of the Decision, then the stay hereby granted shall
6 become permanent.

7 II

8 All licenses and licensing rights of Respondent WAYNE THOMAS HALL,
9 under the Real Estate Law are suspended for a period of sixty (60) days from the effective date
10 of the Decision herein provided, however:

11 1. If Respondent WAYNE THOMAS HALL petitions, thirty (30) days of the
12 sixty (60) day suspension shall be stayed upon the condition that:

13 (a) Respondent WAYNE THOMAS HALL pays a monetary penalty pursuant
14 to Section 10175.2 of the Code of \$4,500.00.

15 (b) Said payment shall be in the form of a cashier's check or certified check
16 made payable to the Recovery Account of the Real Estate Fund. Said check must be received by
17 the Department prior to the effective date of the Decision in this matter.

18 (c) If Respondent WAYNE THOMAS HALL fails to pay the monetary penalty
19 in accordance with the terms and conditions of the Decision, the Commissioner may, without a
20 hearing, vacate and set aside the stay order, and order the immediate execution of all or any part
21 of the stayed suspension.

22 (d) No final subsequent determination be made, after hearing or upon
23 stipulation, that cause for disciplinary action against Respondent WAYNE THOMAS HALL
24 occurred within two (2) years of the effective date of the Decision herein. Should such a
25 determination be made, the Commissioner may, in his or her discretion, vacate and set aside the
26 stay order, and order the execution of all or any part of the stayed suspension, in which event the
27

1 Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money
2 paid to the Department under the terms of this Decision.

3 (e) If Respondent WAYNE THOMAS HALL pays the monetary penalty and if
4 no further cause for disciplinary action against the real estate license of Respondent occurs
5 within two (2) years from the effective date of the Decision herein, then the stay hereby granted
6 shall become permanent.

7 2. Thirty (30) days of said sixty (60) day suspension shall be stayed upon
8 condition that:

9 (a) No final subsequent determination be made, after hearing or upon
10 stipulation, that cause for disciplinary action against Respondent WAYNE THOMAS HALL
11 occurred within two (2) years of the effective date of the Decision herein.

12 (b) Should such a determination be made, the Commissioner may, in his or her
13 discretion, vacate and set aside the stay order, and order the execution of all or any part of the
14 stayed suspension, in which event the Respondent WAYNE THOMAS HALL shall not be
15 entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department
16 under the terms of this Decision.

17 (c) If no order vacating the stay is issued, and if no further cause for disciplinary
18 action against the real estate license of Respondent WAYNE THOMAS HALL occurs within
19 two (2) years from the effective date of the Decision, then the stay hereby granted shall become
20 permanent.

21
22 8/22/11
23 DATED

Michael B. Rich
MICHAEL B. RICH, Counsel
Department of Real Estate

24
25 * * *

26 I have read the Stipulation and Agreement and its terms are understood by

1 me and are agreeable and acceptable to me. I understand that I am waiving rights given to me
2 by the California Administrative Procedure Act (including but not limited to Sections 11506,
3 11508, 11509, and 11513 of the Government Code), and I willingly, intelligently, and
4 voluntarily waive those rights, including the right of requiring the Commissioner to prove the
5 allegations in the Accusation at a hearing at which I would have the right to cross-examine
6 witnesses against me and to present evidence in defense and mitigation of the charges.

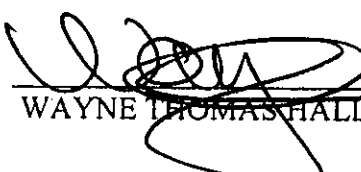
7 DANCE HALL INVESTORS, INC.

8
9 8-5-11
10 DATED

11
12 By: 
13 WAYNE THOMAS HALL
14 President


15 I have read the Stipulation and Agreement and its terms are understood by me
16 and are agreeable and acceptable to me. I understand that I am waiving rights given to me by
17 the California Administrative Procedure Act (including but not limited to Sections 11506,
18 11508, 11509, and 11513 of the Government Code), and I willingly, intelligently, and
19 voluntarily waive those rights, including the right of requiring the Commissioner to prove the
20 allegations in the Accusation at a hearing at which I would have the right to cross-examine
21 witnesses against me and to present evidence in defense and mitigation of the charges.

22 8-5-11
23 DATED

24 
25 WAYNE THOMAS HALL

26 Approved as to form and content by counsel for Respondent.

27 8/9/11
DATED

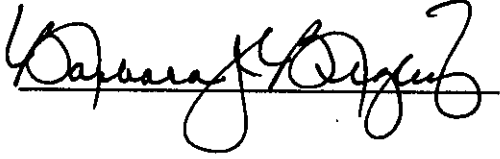

MARY E. WORK
Attorney for Respondents

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The foregoing Stipulation and Agreement is hereby adopted by me as my
Decision in this matter as to Respondent DANCE HALL INVESTORS, INC., and WAYNE
THOMAS HALL and shall become effective at 12 o'clock noon on 11/2/2011.

IT IS SO ORDERED 9/28/11

BARBARA J. BIGBY
Acting Real Estate Commissioner



FILED

July 7, 2011

1 MICHAEL B. RICH, Counsel
2 State Bar No. 84257
3 Department of Real Estate
4 P. O. Box 187007
5 Sacramento, CA 95818-7007

DEPARTMENT OF REAL ESTATE

By 

6 Telephone: (916)-227-1126 Direct
7 (916) 227-0789 Legal Section

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 MATTHEW WAYNE STEWART,)
13 DANCE HALL INVESTORS, INC., a)
14 California corporation, WAYNE THOMAS HALL,)
15 RIVERSIDE CORP, a California corporation,)
16 and RORY LEE HOELKER,)
17 Respondents.)

NO. H-5482 SAC

FIRST AMENDED
ACCUSATION

18 The Complainant, TRICIA D. SOMMERS, a Deputy Real Estate Commissioner
19 of the State of California, for Causes of this First Amended Accusation against MATTHEW
20 WAYNE STEWART, DANCE HALL INVESTORS, INC., a California corporation, WAYNE
21 THOMAS HALL, RIVERSIDE CORP, a California corporation, and RORY LEE HOELKER,
22 is informed and alleges as follows:

23 1

24 Respondent MATTHEW WAYNE STEWART (hereinafter "Respondent
25 STEWART), DANCE HALL INVESTORS, INC. (hereinafter "Respondent DHI"), WAYNE
26 THOMAS HALL (hereinafter "Respondent HALL"), RIVERSIDE CORP (hereinafter
27 "Respondent RIVERSIDE"), and RORY LEE HOELKER (hereinafter "Respondent

1 HOELKER”), are presently licensed and/or have license rights under the Real Estate Law, Part
2 1 of Division 4 of the California Business and Professions Code (hereinafter “the Code”).

3 2

4 The Complainant, TRICIA D. SOMMERS, a Deputy Real Estate Commissioner
5 of the State of California, makes this Accusation against Respondents in her official capacity.

6 3

7 At all times herein mentioned, Respondent STEWART was and is licensed by
8 the Department of Real Estate (hereinafter “Department”) as an individual real estate
9 salesperson. At no time has the Department licensed Respondent STEWART as a real estate
10 broker.

11 4

12 At all times herein mentioned, Respondent DHI was and is licensed by the
13 Department as a corporate real estate broker.

14 5

15 At all times herein mentioned, Respondent HALL was and is licensed by the
16 Department as an individual real estate broker.

17 6

18 At all times herein mentioned, Respondent HALL was licensed by the
19 Department as the designated broker/officer of Respondent DHI. As said designated
20 broker/officer, Respondent HALL was, at all times herein mentioned, responsible pursuant to
21 Sections 10159.2 and 10177(h) of the Code and Section 2725 of Chapter 6, Title 10, California
22 Code of Regulations (hereinafter “Regulations”) for the supervision of the activities of the
23 officers, agents, and employees of, and of the real estate licensees employed by, Respondent
24 DHI and of the activities of said corporation for which a real estate license is required.

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26 At all times herein mentioned, Respondent RIVERSIDE was and is licensed by
27 the Department as a corporate real estate broker.

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At all times herein mentioned, Respondent HOELKER was and is licensed by the Department as an individual real estate broker.

9

At all times herein mentioned, Respondent HOELKER was licensed by the Department as the designated broker/officer of Respondent RIVERSIDE. As said designated broker/officer, Respondent HOELKER was, at all times herein mentioned, responsible pursuant to Sections 10159.2 and 10177(h) of the Code and Section 2725 Regulations for the supervision of the activities of the officers, agents, and employees of, and of the real estate licensees employed by, Respondent RIVERSIDE and of the activities of said corporation for which a real estate license is required.

10

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

11

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

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2 Respondent STEWART was licensed as a real estate salesperson in the employ
3 of Respondent DHI from December 5, 2000, through June 21, 2009.

4 13

5 Respondent STEWART was and is licensed as a real estate salesperson in the
6 employ of Respondent RIVERSIDE beginning July 22, 2009.

7 14

8 At all times herein mentioned, Respondent STEWART is and was the chief
9 executive officer, corporate secretary, treasurer, sole director, and sole stockholder of Pardus
10 Ventures, Inc., a Nevada corporation, and, therefore, Pardus Ventures, Inc., was and is the alter
11 ego of Respondent STEWART and whenever a reference is made to an act, omission or
12 representation of Pardus Ventures, Inc., such allegation shall be deemed to mean that
13 Respondent STEWART was so acting, failing to act, and/or speaking.

14 15

15 At no time herein mentioned did Pardus Ventures, Inc., as a foreign corporation,
16 register with and obtain from the California Secretary of State a certificate of qualification, and,
17 therefore, was not authorized to transact, and was not authorized to advertise to transact,
18 intrastate business within the State of California in violation of Section 2105 of the California
19 Corporations Code [a foreign corporation shall not transact intrastate business without having
20 first obtained from the Secretary of State a certificate of qualification].

21 16

22 At no time has the Department issued a real estate license to Pardus Ventures,
23 Inc., a Nevada corporation.

24 17

25 As of December 17, 2009, Stewart Ventures, Inc., was duly incorporated in and
26 under the laws of the State of California identified by Entity Number C3264338.

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1
2 At all times herein mentioned, Respondent STEWART is and was the chief
3 executive officer of, agent for service of process for, principal director of, and principal
4 stockholder of Stewart Ventures, Inc., and, therefore, Stewart Ventures, Inc., was and is the alter
5 ego of Respondent STEWART and whenever a reference is made to an act, omission or
6 representation of Stewart Ventures, Inc., such allegation shall be deemed to mean that
7 Respondent STEWART was so acting, failing to act, and/or speaking.

8
9 At no time has the Department issued a real estate license to Stewart Ventures,
10 Inc., a California corporation.

11
12 At all times herein mentioned, Respondents engaged in the business of, acted in
13 the capacity of, advertised, or assumed to act as real estate brokers within the meaning of
14 Section 10131(a) of the Code, including, on behalf of others, for or in expectation of
15 compensation, Respondents sold or offered to sell, bought or offered to buy, solicited
16 prospective sellers or purchases of, solicited or obtained listings of, and/or negotiated the
17 purchase or sale of real property.

18 FIRST CAUSE OF ACTION

19
20 There is hereby incorporated in this First, separate and distinct, Cause of Action,
21 all of the allegations contained in Paragraphs 1 through 20, inclusive, of the Accusation with the
22 same force and effect as if herein fully set forth.

23
24 Within three years prior to the filing of this Accusation, on or about October 18,
25 16, 2008, in the course and scope of conducting the activities set forth in Paragraph 20, above,
26 Respondent STEWART and Respondent DHI solicited for and negotiated a listing agreement
27 with Eric and Julie Harvey (hereinafter "Sellers Harvey") to sell their real property identified as

1 12916 Austin Forest Circle in Auburn, California (hereinafter "Auburn property") with a
2 broker's commission not to exceed 7% of the sale price.

3 23

4 At all times herein mentioned, the Auburn property was encumbered by a senior
5 deed of trust held by Washington Mutual Bank (now J. P. Morgan Chase Bank as successor in
6 interest, hereinafter "Chase Bank") having an approximate balance due in excess of \$900,000.00
7 and by a junior deed of trust held by Chase Bank having an approximate balance due in excess
8 of \$225,000.00.

9 24

10 At all times herein mentioned, the value of the property was not sufficient to
11 cover the full amount due on the loans and extinguish all costs of sale and property taxes due.

12 25

13 Within three years prior to the filing of this Accusation, Respondent STEWART
14 and Respondent DHI solicited for and negotiated with the lender Chase Bank on behalf of
15 Sellers Harvey to permit sale of the subject property for an amount less than needed to
16 extinguish all costs of sale, taxes, and the full balance due on the loans secured by the subject
17 property whereby the lender would either forgive any remaining balance due on the promissory
18 notes and/or release their liens; a sale transaction otherwise known as a "short sale."

19 26

20 On or about May 4, 2009, Respondent STEWART and Respondent DHI received
21 from John Renwick, a licensed real estate agent on behalf of Tom and Lesley Daley (hereinafter
22 "Buyers Daley"), a RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW
23 INSTRUCTIONS offering to purchase the Auburn property for a sale price of \$665,000.00,
24 which offer the Sellers Harvey accepted.

25 27

26 Within three years prior to the filing of this Accusation, on or about May 22,
27 2009, Respondent STEWART, while employed by and acting on behalf of and with the

1 approval or ratification of Respondent DHI, submitted to Buyers Daley through their real estate
2 agent a written agreement entitled "S S Buyer Fee Agreement" ostensibly for the purpose of
3 allocating a 3% sellers credit to the buyers for the purpose of compensating Pardus Ventures,
4 Inc., for negotiating short sale terms with Chase Bank.

5 28

6 Within three years prior to the filing of this Accusation, on or about June 10,
7 2009, Respondent STEWART, while employed by and acting on behalf of and with the
8 approval or ratification of Respondent DHI, induced Buyers Daley to sign the "S S Buyer Fee
9 Agreement" by representing to them and/or to their real estate agent that Respondent
10 STEWART would not submit their purchase offer to Chase Bank and that they would not be
11 able to purchase the Auburn property unless Buyers Daley signed the "S S Buyer Fee
12 Agreement." The agreement did not contain a definite date of final termination.

13 29

14 Within three years prior to the filing of this Accusation, on or about July 16,
15 2009, escrow for the sale of the Auburn property to Buyers Daley closed. In addition to the total
16 of \$39,900.00 paid as commissions to the parties' respective real estate brokers from the funds
17 available to Sellers Harvey, \$19,950.00 was also paid to Pardus Ventures, Inc., from the funds
18 available to Buyers Daley.

19 30

20 At no time herein mentioned prior to the close of escrow did Respondent
21 STEWART or Respondent DHI inform Sellers Harvey or the lender Chase Bank that: 1.) he was
22 requiring buyers to pay for services related to the short sale; 2.) he had required the Buyers
23 Daley to sign the "S S Buyer Fee Agreement;" 3.) he was allocating 3% of the purchase price to
24 Pardus Ventures, Inc.; and, 4.) that he would be the ultimate recipient and beneficiary of the 3%
25 of the purchase price allocated to Pardus Ventures, Inc., which would increase his commission
26 to an amount in excess of the 7% maximum authorized in the listing agreement.

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2 Upon the close of escrow, there were insufficient funds to extinguish the
3 principal balance and costs dues under the junior note secured by the second deed of trust such
4 that only \$5,000.00 was allocated to the junior note and Sellers Harvey remained contractually
5 liable to Chase Bank for the unpaid amounts due.

6
7 In truth and in fact, as Respondent STEWART and Respondent DHI knew or
8 should have known at the time through the exercise of reasonable diligence, that: 1.) the "S S
9 Buyer Fee Agreement" submitted to the Buyers Daley would not and did not result in any short
10 sale negotiations or services to be performed by anyone other than by Respondent STEWART;
11 2.); Respondent STEWART had no intention of limiting his compensation to the amounts
12 authorized under the listing agreement; 3.) Respondent STEWART had no intention of
13 disclosing to Sellers Harvey the compensation and/or profit he would receive through Pardus
14 Ventures, Inc.; 4.) Sellers Harvey would not have authorized the payment of any additional
15 compensation or costs; 5.) as the real estate agent on behalf of Sellers Harvey, Respondent
16 STEWART alone had sole responsibility for negotiating with Chase Bank; and, 6.) that Pardus
17 Ventures, Inc., was not authorized to conduct business within the state of California and was not
18 licensed by the Department to conduct activities for compensation, including negotiations on
19 behalf of others to sell real property, that required a real estate license.

20
21 The acts and/or omissions of Respondents described in Paragraphs 18 through
22 29, inclusive, above, constituted substantial misrepresentations, fraud, deceit, and dishonest
23 dealing.

24
25 The acts and/or omissions of Respondents, as alleged in Paragraphs 21 through
26 33, inclusive, above, above constitute grounds for the revocation or suspension of Respondents'
27 licenses and/or license rights:

- 1 a.) As to Respondents STWEART and DHI, under Section 10176(a) of the
2 Code [making any substantial misrepresentation];
- 3 b.) As to Respondents STWEART and DHI, under Section 10176(f) of the
4 Code [licensee claiming or demanding compensation under an agreement
5 for performing licensed acts not containing a definite and final date of
6 termination];
- 7 c.) As to Respondents STWEART and DHI, under Section 10176(g) of the
8 Code [licensee claiming or taking any secret or undisclosed compensation
9 or profit or failure to disclose full amount of compensation or profit to
10 licensee's employer];
- 11 d.) As to Respondents STWEART and DHI, under Section 10176(i) of the
12 Code [engaged in any other conduct, while acting in a licensed capacity
13 whether of the same or different character than specified in this section,
14 constituting fraud or dishonest dealing];
- 15 e.) As to Respondents STWEART and DHI, under Section 10177(g)
16 [demonstrated negligence or incompetence in performing an act for which
17 he or she is required to hold a license];
- 18 f.) As to Respondents STWEART and DHI, under Section 10177(j) of the
19 Code [engaged in any other conduct, whether of the same or different
20 character than specified in this section, constituting fraud or dishonest
21 dealing];
- 22 g.) As to Respondent STWEART, under Section 10137 of the Code [no real
23 estate salesman shall be employed by or accept compensation from any
24 person other than the broker under whom he licensed at the time] in
25 conjunction with Section 10177(d) of the Code [suspension or revocation
26 of license for willful disregard or violation of the Real Estate Law,
27

1 Sections 10000 et seq. and Sections 11000 et seq. of the Code, or of the
2 Regulations]; and/or,

3 h.) As to Respondent STWEART, under Section 10138 of the Code
4 [unlawful to pay or deliver compensation to anyone for performing acts
5 requiring a real estate license when such payee is not known to be so
6 licensed] in conjunction with Section 10177(d) of the Code.

7 SECOND CAUSE OF ACTION

8 35

9 There is hereby incorporated in this Second, separate and distinct, Cause of
10 Action, all of the allegations contained in Paragraphs 1 through 34, inclusive, of the Accusation
11 with the same force and effect as if herein fully set forth.

12 36

13 Within three years prior to the filing of this Accusation, on or about May 20,
14 2009, in the course and scope of conducting the activities set forth in Paragraph 20, above,
15 Respondent STEWART and Respondent RIVERSIDE solicited for and entered into a listing
16 agreement with Sellers Morrow to sell their real property identified as 263 Hornsby Court in
17 Folsom, California (hereinafter "Folsom property") with a broker's commission not to exceed
18 7% of the sale price.

19 37

20 At all times herein mentioned, the Folsom property was encumbered by a senior
21 deed of trust held by Aurora Loan Services (hereinafter "Aurora Loan") having an approximate
22 balance due in excess of \$300,000.00 and by a junior deed of trust held by Bank of America
23 having an approximate balance due in excess of \$115,000.00.

24 38

25 At all times herein mentioned, the value of the property was not sufficient to
26 cover the full amount due on the loans and extinguish all costs of sale and property taxes due.

27 ///

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2 Within three years prior to the filing of this Accusation, Respondent STEWART,
3 while employed by and acting on behalf of and with the approval or ratification of Respondent
4 RIVERSIDE, solicited for and negotiated with the lender Aurora Loan on behalf of Sellers
5 Morrow to permit sale of the subject property for an amount less than needed to extinguish all
6 costs of sale, taxes, and the full balance due on the loans secured by the subject property
7 whereby the lender would forgive any remaining balance due on the promissory notes and/or
8 release their liens; a sale transaction otherwise known as a "short sale."

9
10 On or about December 10, 2009, Respondent STEWART, while employed by
11 and acting on behalf of and with the approval or ratification of Respondent RIVERSIDE,
12 negotiated on behalf of Sadiq Mohiuddin (hereinafter "Buyer Mohiuddin") and submitted to
13 Sellers Morrow on behalf of Buyer Mohiuddin a RESIDENTIAL PURCHASE AGREEMENT
14 AND JOINT ESCROW INSTRUCTIONS offering to purchase the Folsom property for a sale
15 price of \$300,000.00, which offer the Sellers Morrow accepted.

16
17 Within three years prior to the filing of this Accusation, on or about December
18 10, 2009, Respondent STEWART, while employed by and acting on behalf of and with the
19 approval or ratification of Respondent RIVERSIDE, submitted to Buyer Mohiuddin a written
20 agreement entitled "S S Buyer Fee Agreement" ostensibly for the purpose of allocating a 3%
21 sellers credit to the buyer for the purpose of compensating Pardus Ventures, Inc., for negotiating
22 short sale terms with Aurora Loan.

23
24 Within three years prior to the filing of this Accusation, on or about December
25 10, 2009, Respondent STEWART, while employed by and acting on behalf of and with the
26 approval or ratification of Respondent RIVERSIDE, induced Buyer Mohiuddin to sign the "S S
27 Buyer Fee Agreement" by representing to Buyer Mohiuddin that Pardus Ventures, Inc., needed

1 to be paid for negotiating the short sale, that Respondent STEWART would not submit the
2 purchase offer to Aurora Loan if Buyer Mohiuddin did not sign the agreement, and that
3 Respondent STEWART would find another buyer if Buyer Mohiuddin did not sign the
4 agreement. The agreement did not contain a definite date of final termination.

5 43

6 Within three years prior to the filing of this Accusation, on or about February 3,
7 2010, escrow for the sale of the Folsom property to Buyer Mohiuddin closed. In addition to the
8 total of \$18,000.00 paid as commissions to the listing real estate broker from the funds available
9 to Sellers Morrow, \$5,000.00 was also paid to Pardus Ventures, Inc., from the funds available to
10 Buyer Mohiuddin, and escrow was directed by Respondent STEWART to pay \$1,925.00 to
11 Stewart Ventures, Inc., from funds available to Sellers Morrow.

12 44

13 At no time herein mentioned prior to the close of escrow did Respondent
14 STEWART or Respondent RIVERSIDE inform Sellers Morrow or the lenders Aurora Loan or
15 Bank of America that: 1.) he was requiring buyers to pay for services related to the short sale;
16 2.) he had required the Buyer Mohiuddin to sign the "S S Buyer Fee Agreement;" 3.) he was
17 allocating 3% of the purchase price to Pardus Ventures, Inc., for any purpose; 4.) he would be
18 the ultimate recipient and beneficiary of the 3% of the purchase price allocated to Pardus
19 Ventures, Inc., which would increase his commission to an amount in excess of the 7%
20 maximum authorized in the listing agreement; and, 5.) that Respondent STEWART was
21 directing escrow to pay an additional \$1,925.00 of their funds to Stewart Ventures, Inc.

22 45

23 Upon the close of escrow, there were insufficient funds to extinguish the
24 principal balance and costs dues under the junior note secured by the second deed of trust such
25 that only \$8,500.00 was allocated to the junior note and Sellers Harvey remained contractually
26 liable to Bank of America for the unpaid amounts due.

27 ///

1
2 In truth and in fact, as Respondent STEWART and Respondent RIVERSIDE
3 knew or should have known at the time through the exercise of reasonable diligence, that: 1.) the
4 "S S Buyer Fee Agreement" submitted to the Buyer Mohiuddin would not and did not result in
5 any short sale negotiations or services to be performed by anyone other than by Respondent
6 STEWART; 2.); Respondent STEWART had no intention of limiting his compensation to the
7 amounts authorized under the listing agreement; 3.) Respondent STEWART had no intention of
8 disclosing to Sellers Morrow the compensation and/or profit he would receive through Pardus
9 Ventures, Inc.; 4.) Respondent STEWART had no intention of disclosing to Sellers Morrow the
10 compensation or profit he would receive through Stewart Ventures, Inc.; 5.) Sellers Morrow
11 would not have authorized the payment of any additional compensation or costs to Pardus
12 Ventures, Inc., or to Stewart Ventures, Inc.; 6.) as the real estate agent on behalf of Sellers
13 Morrow, Respondent STEWART alone had sole responsibility for negotiating with Aurora Loan
14 and Bank of America; 7.) that Pardus Ventures, Inc., was not authorized to conduct business
15 within the state of California and was not licensed by the Department to conduct activities for
16 compensation, including negotiations on behalf of others to sell real property, that required a
17 real estate license; and, 8.) that Stewart Ventures, Inc., was not licensed by the Department to
18 conduct activities for compensation, including negotiations on behalf of others to sell real
19 property, that required a real estate license.

20
21 The acts and/or omissions of Respondents described in Paragraphs 35 through
22 47, inclusive, above, constituted substantial misrepresentations, fraud, deceit, and dishonest
23 dealing.

24
25 The acts and/or omissions of Respondents as alleged in Paragraphs 35 through
26 47, inclusive, above, constitute grounds for the revocation or suspension of Respondents'
27 licenses and/or license rights:

- 1 a.) As to Respondents STEWART and RIVERSIDE, under Section 10176(a)
2 of the Code [making any substantial misrepresentation];
- 3 b.) As to Respondents STEWART and RIVERSIDE, under Section 10176(f)
4 of the Code [licensee claiming or demanding compensation under an
5 agreement for performing licensed acts not containing a definite and final
6 date of termination];
- 7 c.) As to Respondents STEWART and RIVERSIDE, under Section 10176(g)
8 of the Code [licensee claiming or taking any secret or undisclosed
9 compensation or profit or failure to disclose full amount of compensation
10 or profit to licensee's employer];
- 11 d.) As to Respondents STEWART and RIVERSIDE, under Section 10176(i)
12 of the Code [engaged in any other conduct, while acting in a licensed
13 capacity whether of the same or different character than specified in this
14 section, constituting fraud or dishonest dealing];
- 15 e.) As to Respondents STEWART and RIVERSIDE, under Section 10177(g)
16 [demonstrated negligence or incompetence in performing an act for which
17 he or she is required to hold a license];
- 18 f.) As to Respondents STEWART and RIVERSIDE, under Section 10177(j)
19 of the Code [engaged in any other conduct, whether of the same or
20 different character than specified in this section, constituting fraud or
21 dishonest dealing];
- 22 g.) As to Respondents STEWART, under Section 10137 of the Code [no real
23 estate salesman shall be employed by or accept compensation from any
24 person other than the broker under whom he licensed at the time] in
25 conjunction with Section 10177(d) of the Code [suspension or revocation
26 of license for willful disregard or violation of the Real Estate Law,
27

1 Sections 10000 et seq. and Sections 11000 et seq. of the Code, or of the
2 Regulations]; and/or,

3 h.) As to Respondents STEWART, under Section 10138 of the Code
4 [unlawful to pay or deliver compensation to anyone for performing acts
5 requiring a real estate license when such payee is not known to be so
6 licensed] in conjunction with Section 10177(d) of the Code.

7 THIRD CAUSE OF ACTION

8 49

9 There is hereby incorporated in this Third, separate and distinct, Cause of Action,
10 all of the allegations contained in Paragraphs 1 through 48, inclusive, of the Accusation with the
11 same force and effect as if herein fully set forth.

12 50

13 At all times above mentioned, Respondent HALL was responsible, as the
14 designated broker officer of Respondent DHI, for the supervision and control of the activities
15 conducted on behalf of the corporation by its officers and employees. Respondent HALL failed
16 to exercise reasonable supervision and control over the real property purchase and sale activities
17 of Respondent DHI. In particular, Respondent HALL permitted, ratified, and/or caused the
18 conduct described in the First and Second Causes of Action, above, to occur, and failed to take
19 reasonable steps, including but not limited to: the review of transactional documents; review of
20 purchase agreements; review of escrow instructions; review of settlement statements; prevent
21 misrepresentations and false statements on transactional documents; prevent the payment of
22 commissions to unlicensed entities; assure full disclosure of all compensation and profits
23 received by licensed salesperson employees; failure to intervene in a transaction to protect
24 consumers from the fraud of a licensed salesperson employee; the supervision of employees;
25 and, the implementation of policies, rules, procedures, and systems to ensure the compliance of
26 the corporation with the Real Estate Law.

27 ///

The above acts and/or omissions of Respondent HALL constitute grounds for the suspension or revocation of the licenses and licensing rights of Respondent under the provisions of Section 10159.2 of the Code [designated broker/officer responsible for supervision and control of activities conducted on behalf of corporation by officers, licensed salespersons and employees to secure compliance with the Real Estate Law] and Section 2725 of the Regulations [broker shall: exercise reasonable supervision over licensed employees; establish policies and procedures for compliance with Real Estate Law; supervise transactions requiring a real estate license; trust fund handling; etc.] all in conjunction with Section 10177(d) of the Code and/or under the provisions of Section 10177(h) of the Code [suspension or revocation for broker or designated broker/officer who fails to exercise reasonable supervision of licensed employees or licensed activities of broker corporation].

FIFTH CAUSE OF ACTION

There is hereby incorporated in this Fifth, separate and distinct, Cause of Action, all of the allegations contained in Paragraphs 1 through 51, inclusive, of the Accusation with the same force and effect as if herein fully set forth.

At all times above mentioned, Respondent HOELKER was responsible, as the designated broker officer of Respondent RIVERSIDE, for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees. Respondent HOELKER failed to exercise reasonable supervision and control over the real property purchase and sale activities of Respondent RIVERSIDE. In particular, Respondent HOELKER permitted, ratified, and/or caused the conduct described in the Second Cause of Action, above, to occur, and failed to take reasonable steps, including but not limited to: the review of transactional documents; review of purchase agreements; review of escrow instructions; review of settlement statements; prevent misrepresentations and false statements on transactional

1 documents; prevent the payment of commissions to unlicensed entities; assure full disclosure of
2 all compensation and profits received by licensed salesperson employees; failure to intervene in
3 a transaction to protect consumers from the fraud of a licensed salesperson employee; the
4 supervision of employees; and, the implementation of policies, rules, procedures, and systems to
5 ensure the compliance of the corporation with the Real Estate Law.

6 51

7 The above acts and/or omissions of Respondent HOELKER constitute grounds
8 for the suspension or revocation of the licenses and licensing rights of Respondent under the
9 provisions of Section 10159.2 of the Code [designated broker/officer responsible for supervision
10 and control of activities conducted on behalf of corporation by officers, licensed salespersons
11 and employees to secure compliance with the Real Estate Law] and Section 2725 of the
12 Regulations [broker shall: exercise reasonable supervision over licensed employees; establish
13 policies and procedures for compliance with Real Estate Law; supervise transactions requiring a
14 real estate license; trust fund handling; etc.] all in conjunction with Section 10177(d) of the
15 Code and/or under the provisions of Section 10177(h) of the Code [suspension or revocation for
16 broker or designated broker/officer who fails to exercise reasonable supervision of licensed
17 employees or licensed activities of broker corporation].

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

23 

24 TRICIA D. SOMMERS
25 Deputy Commissioner

26 Dated at Sacramento, California

27 this 6th day of July, 2011

1 MICHAEL B. RICH, Counsel
2 State Bar No. 84257
3 Department of Real Estate
4 P. O. Box 187007
5 Sacramento, CA 95818-7007

6 Telephone: (916)-227-1126 Direct
7 (916) 227-0789 Legal Section

FILED

OCT 05 2010

DEPARTMENT OF REAL ESTATE

By *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)	
)	NO. H-5482 SAC
12 MATTHEW WAYNE STEWART,)	
13 DANCE HALL INVESTORS, INC., a)	<u>ACCUSATION</u>
California corporation, WAYNE THOMAS HALL,)	
14 RIVERSIDE CORP, a California corporation,)	
15 and RORY LEE HOELKER,)	
)	
)	
16 Respondents.)	
)	

17
18 The Complainant, TRICIA D. SOMMERS, a Deputy Real Estate Commissioner
19 of the State of California, for Causes of Accusation against MATTHEW WAYNE STEWART,
20 DANCE HALL INVESTORS, INC., a California corporation, WAYNE THOMAS HALL,
21 RIVERSIDE CORP, a California corporation, and RORY LEE HOELKER, is informed and
22 alleges as follows:

23 1

24 Respondent MATTHEW WAYNE STEWART (hereinafter "Respondent
25 STEWART), DANCE HALL INVESTORS, INC. (hereinafter "Respondent DHI"), WAYNE
26 THOMAS HALL (hereinafter "Respondent HALL"), RIVERSIDE CORP (hereinafter
27 "Respondent RIVERSIDE"), and RORY LEE HOELKER (hereinafter "Respondent

1 HOELKER”), are presently licensed and/or have license rights under the Real Estate Law, Part
2 1 of Division 4 of the California Business and Professions Code (hereinafter “the Code”).

3 2

4 The Complainant, TRICIA D. SOMMERS, a Deputy Real Estate Commissioner
5 of the State of California, makes this Accusation against Respondents in her official capacity.

6 3

7 At all times herein mentioned, Respondent STEWART was and is licensed by
8 the Department of Real Estate (hereinafter “Department”) as an individual real estate
9 salesperson. At no time has the Department licensed Respondent STEWART as a real estate
10 broker.

11 4

12 At all times herein mentioned, Respondent DHI was and is licensed by the
13 Department as a corporate real estate broker.

14 5

15 At all times herein mentioned, Respondent HALL was and is licensed by the
16 Department as an individual real estate broker.

17 6

18 At all times herein mentioned, Respondent HALL was licensed by the
19 Department as the designated broker/officer of Respondent DHI. As said designated
20 broker/officer, Respondent HALL was, at all times herein mentioned, responsible pursuant to
21 Sections 10159.2 and 10177(h) of the Code and Section 2725 of Chapter 6, Title 10, California
22 Code of Regulations (hereinafter “Regulations”) for the supervision of the activities of the
23 officers, agents, and employees of, and of the real estate licensees employed by, Respondent
24 DHI and of the activities of said corporation for which a real estate license is required.

25 7

26 At all times herein mentioned, Respondent RIVERSIDE was and is licensed by
27 the Department as a corporate real estate broker.

1 8

2 At all times herein mentioned, Respondent HOELKER was and is licensed by the
3 Department as an individual real estate broker.

4 9

5 At all times herein mentioned, Respondent HOELKER was licensed by the
6 Department as the designated broker/officer of Respondent RIVERSIDE. As said designated
7 broker/officer, Respondent HOELKER was, at all times herein mentioned, responsible pursuant
8 to Sections 10159.2 and 10177(h) of the Code and Section 2725 Regulations for the supervision
9 of the activities of the officers, agents, and employees of, and of the real estate licensees
10 employed by, Respondent RIVERSIDE and of the activities of said corporation for which a real
11 estate license is required.

12 10

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

19 11

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

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Respondent STEWART was licensed as a real estate salesperson in the employ of Respondent DHI from December 5, 2000, through July 21, 2009.

13

Respondent STEWART was and is licensed as a real estate salesperson in the employ of Respondent RIVERSIDE beginning July 22, 2009.

14

At all times herein mentioned, Respondent STEWART is and was the chief executive officer, corporate secretary, treasurer, sole director, and sole stockholder of Pardus Ventures, Inc., a Nevada corporation, and, therefore, Pardus Ventures, Inc., was and is the alter ego of Respondent STEWART and whenever a reference is made to an act, omission or representation of Pardus Ventures, Inc., such allegation shall be deemed to mean that Respondent STEWART was so acting, failing to act, and/or speaking.

15

At no time herein mentioned did Pardus Ventures, Inc., as a foreign corporation, register with and obtain from the California Secretary of State a certificate of qualification, and, therefore, was not authorized to transact, and was not authorized to advertise to transact, intrastate business within the State of California in violation of Section 2105 of the California Corporations Code [a foreign corporation shall not transact intrastate business without having first obtained from the Secretary of State a certificate of qualification].

16

At no time has the Department issued a real estate license to Pardus Ventures, Inc., a Nevada corporation.

17

As of December 17, 2009, Stewart Ventures, Inc., was duly incorporated in and under the laws of the State of California identified by Entity Number C3264338.

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1
2 At all times herein mentioned, Respondent STEWART is and was the chief
3 executive officer of, agent for service of process for, principal director of, and principal
4 stockholder of Stewart Ventures, Inc., and, therefore, Stewart Ventures, Inc., was and is the alter
5 ego of Respondent STEWART and whenever a reference is made to an act, omission or
6 representation of Stewart Ventures, Inc., such allegation shall be deemed to mean that
7 Respondent STEWART was so acting, failing to act, and/or speaking.

8
9 At no time has the Department issued a real estate license to Stewart Ventures,
10 Inc., a California corporation.

11
12 At all times herein mentioned, Respondents engaged in the business of, acted in
13 the capacity of, advertised, or assumed to act as real estate brokers within the meaning of
14 Section 10131(a) of the Code, including, on behalf of others, for or in expectation of
15 compensation, Respondents sold or offered to sell, bought or offered to buy, solicited
16 prospective sellers or purchases of, solicited or obtained listings of, and/or negotiated the
17 purchase or sale of real property.

18 FIRST CAUSE OF ACTION

19
20 There is hereby incorporated in this First, separate and distinct, Cause of Action,
21 all of the allegations contained in Paragraphs 1 through 20, inclusive, of the Accusation with the
22 same force and effect as if herein fully set forth.

23
24 Within three years prior to the filing of this Accusation, on or about October 18,
25 16, 2008, in the course and scope of conducting the activities set forth in Paragraph 20, above,
26 Respondent STEWART and Respondent DHI solicited for and negotiated a listing agreement
27 with Eric and Julie Harvey (hereinafter "Sellers Harvey") to sell their real property identified as

1 12916 Austin Forest Circle in Auburn, California (hereinafter "Auburn property") with a
2 broker's commission not to exceed 7% of the sale price.

3 23

4 At all times herein mentioned, the Auburn property was encumbered by a senior
5 deed of trust held by Washington Mutual Bank (now J. P. Morgan Chase Bank as successor in
6 interest, hereinafter "Chase Bank") having a balance due of \$573,754.24 and by a junior deed of
7 trust held by Chase Bank having a balance due of \$5,000.00, for a total balance of \$578,754.24.

8 24

9 At all times herein mentioned, the value of the property was not sufficient to
10 cover the full amount due on the loans and extinguish all costs of sale and property taxes due.

11 25

12 Within three years prior to the filing of this Accusation, Respondent STEWART
13 and Respondent DHI solicited for and negotiated with the lender Chase Bank on behalf of
14 Sellers Harvey to permit sale of the subject property for an amount less than needed to
15 extinguish all costs of sale, taxes, and the full balance due on the loans secured by the subject
16 property whereby the lender would forgive any remaining balance due on the promissory notes
17 and/or release their liens; a sale transaction otherwise known as a "short sale."

18 26

19 On or about May 4, 2009, Respondent STEWART and Respondent DHI received
20 from John Renwick, a licensed real estate agent on behalf of Tom and Lesley Daley (hereinafter
21 "Buyers Daley"), a RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW
22 INSTRUCTIONS offering to purchase the Auburn property for a sale price of \$665,000.00,
23 which offer the Sellers Harvey accepted.

24 27

25 Within three years prior to the filing of this Accusation, on or about May 22,
26 2009, Respondent STEWART, while employed by and acting on behalf of and with the
27 approval or ratification of Respondent DHI, submitted to Buyers Daley through their real estate

1 agent a written agreement entitled "S S Buyer Fee Agreement" ostensibly for the purpose of
2 allocating a 3% sellers credit to the buyers for the purpose of compensating Pardus Ventures,
3 Inc., for negotiating short sale terms with Chase Bank.

4 28

5 Within three years prior to the filing of this Accusation, on or about June 10,
6 2009, Respondent STEWART, while employed by and acting on behalf of and with the
7 approval or ratification of Respondent DHI, induced Buyers Daley to sign the "S S Buyer Fee
8 Agreement" by representing to them and/or to their real estate agent that Respondent
9 STEWART would not submit their purchase offer to Chase Bank and that they would not be
10 able to purchase the Auburn property unless Buyers Daley signed the "S S Buyer Fee
11 Agreement." The agreement did not contain a definite date of final termination.

12 29

13 Within three years prior to the filing of this Accusation, on or about July 16,
14 2009, escrow for the sale of the Auburn property to Buyers Daley closed. In addition to the total
15 of \$39,900.00 paid as commissions to the parties' respective real estate brokers from the funds
16 available to Sellers Harvey, \$19,950.00 was also paid to Pardus Ventures, Inc., from the funds
17 available to Buyers Daley.

18 30

19 At no time herein mentioned prior to the close of escrow did Respondent
20 STEWART or Respondent DHI inform Sellers Harvey that: 1.) he was requiring buyers to pay
21 for services related to the short sale; 2.) he had required the Buyers Daley to sign the "S S Buyer
22 Fee Agreement;" 3.) he was allocating 3% of the purchase price to Pardus Ventures, Inc., for
23 any purpose; and, 4.) that he would be the ultimate recipient and beneficiary of the 3% of the
24 purchase price allocated to Pardus Ventures, Inc., which would increase his commission to an
25 amount in excess of the 7% maximum authorized in the listing agreement.

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2 Upon the close of escrow, there were insufficient funds to extinguish the
3 principal balance and costs dues under the junior note secured by the second deed of trust such
4 that Sellers Harvey remained contractually liable to Chase Bank for the unpaid amounts due.

5
6 In truth and in fact, as Respondent STEWART and Respondent DHI knew or
7 should have known at the time through the exercise of reasonable diligence, that: 1.) the "S S
8 Buyer Fee Agreement" submitted to the Buyers Daley would not and did not result in any short
9 sale negotiations or services to be performed by anyone other than by Respondent STEWART;
10 2.); Respondent STEWART had no intention of limiting his compensation to the amounts
11 authorized under the listing agreement; 3.) Respondent STEWART had no intention of
12 disclosing to Sellers Harvey the compensation and/or profit he would receive through Pardus
13 Ventures, Inc.; 4.) Sellers Harvey would not have authorized the payment of any additional
14 compensation or costs; 5.) as the real estate agent on behalf of Sellers Harvey, Respondent
15 STEWART alone had sole responsibility for negotiating with Chase Bank; and, 6.) that Pardus
16 Ventures, Inc., was not authorized to conduct business within the state of California and was not
17 licensed by the Department to conduct activities for compensation, including negotiations on
18 behalf of others to sell real property, that required a real estate license.

19
20 The acts and/or omissions of Respondents described in Paragraphs 21 through
21 32, inclusive, above, constituted substantial misrepresentations, fraud, deceit, and dishonest
22 dealing.

23
24 The acts and/or omissions of Respondents, as alleged in Paragraphs 21 through
25 33, inclusive, above, constitute grounds for the revocation or suspension of Respondents'
26 licenses and/or license rights:

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- a.) As to Respondents STEWART and DHI, under Section 10176(a) of the Code [making any substantial misrepresentation];
- b.) As to Respondents STEWART and DHI, under Section 10176(f) of the Code [licensee claiming or demanding compensation under an agreement for performing licensed acts not containing a definite and final date of termination];
- c.) As to Respondents STEWART and DHI, under Section 10176(g) of the Code [licensee claiming or taking any secret or undisclosed compensation or profit or failure to disclose full amount of compensation or profit to licensee's employer];
- d.) As to Respondents STEWART and DHI, under Section 10176(i) of the Code [engaged in any other conduct, while acting in a licensed capacity whether of the same or different character than specified in this section, constituting fraud or dishonest dealing];
- e.) As to Respondents STEWART and DHI, under Section 10177(g) [demonstrated negligence or incompetence in performing an act for which he or she is required to hold a license];
- f.) As to Respondents STEWART and DHI, under Section 10177(j) of the Code [engaged in any other conduct, whether of the same or different character than specified in this section, constituting fraud or dishonest dealing];
- g.) As to Respondent STEWART, under Section 10137 of the Code [no real estate salesman shall be employed by or accept compensation from any person other than the broker under whom he licensed at the time] in conjunction with Section 10177(d) of the Code [suspension or revocation of license for willful disregard or violation of the Real Estate Law,

1 Sections 10000 et seq. and Sections 11000 et seq. of the Code, or of the
2 Regulations]; and/or,

3 h.) As to Respondent STEWART, under Section 10138 of the Code
4 [unlawful to pay or deliver compensation to anyone for performing acts
5 requiring a real estate license when such payee is not known to be so
6 licensed] in conjunction with Section 10177(d) of the Code.

7 SECOND CAUSE OF ACTION

8 35

9 There is hereby incorporated in this Second, separate and distinct, Cause of
10 Action, all of the allegations contained in Paragraphs 1 through 34, inclusive, of the Accusation
11 with the same force and effect as if herein fully set forth.

12 ///

13 36

14 Within three years prior to the filing of this Accusation, on or about May 20,
15 2009, in the course and scope of conducting the activities set forth in Paragraph 20, above,
16 Respondent STEWART and Respondent RIVERSIDE solicited for and entered into a listing
17 agreement with Sellers Morrow to sell their real property identified as 263 Hornsby Court in
18 Folsom, California (hereinafter "Folsom property") with a broker's commission not to exceed
19 7% of the sale price.

20 37

21 At all times herein mentioned, the Folsom property was encumbered by a senior
22 deed of trust held by Aurora Loan Services (hereinafter "Aurora Loan") having a balance due of
23 \$258,359.25 and by a junior deed of trust held by Bank of America having a balance due of
24 \$8,500.00, for total balance of \$266,859.25.

25 38

26 At all times herein mentioned, the value of the property was not sufficient to
27 cover the full amount due on the loans and extinguish all costs of sale and property taxes due.

1
2 Within three years prior to the filing of this Accusation, Respondent STEWART,
3 while employed by and acting on behalf of and with the approval or ratification of Respondent
4 RIVERSIDE, solicited for and negotiated with the lender Aurora Loan on behalf of Sellers
5 Morrow to permit sale of the subject property for an amount less than needed to extinguish all
6 costs of sale, taxes, and the full balance due on the loans secured by the subject property
7 whereby the lender would forgive any remaining balance due on the promissory notes and/or
8 release their liens; a sale transaction otherwise known as a "short sale."

9
10 On or about December 10, 2009, Respondent STEWART, while employed by
11 and acting on behalf of and with the approval or ratification of Respondent RIVERSIDE,
12 negotiated on behalf of Sadiq Mohiuddin (hereinafter "Buyer Mohiuddin") and submitted to
13 Sellers Morrow on behalf of Buyer Mohiuddin a RESIDENTIAL PURCHASE AGREEMENT
14 AND JOINT ESCROW INSTRUCTIONS offering to purchase the Folsom property for a sale
15 price of \$300,000.00, which offer the Sellers Morrow accepted.

16
17 Within three years prior to the filing of this Accusation, on or about December
18 10, 2009, Respondent STEWART, while employed by and acting on behalf of and with the
19 approval or ratification of Respondent RIVERSIDE, submitted to Buyer Mohiuddin a written
20 agreement entitled "S S Buyer Fee Agreement" ostensibly for the purpose of allocating a 3%
21 sellers credit to the buyer for the purpose of compensating Pardus Ventures, Inc., for negotiating
22 short sale terms with Aurora Loan.

23
24 Within three years prior to the filing of this Accusation, on or about December
25 10, 2009, Respondent STEWART, while employed by and acting on behalf of and with the
26 approval or ratification of Respondent RIVERSIDE, induced Buyer Mohiuddin to sign the "S S
27 Buyer Fee Agreement" by representing to Buyer Mohiuddin that Pardus Ventures, Inc., needed

1 to be paid for negotiating the short sale, that Respondent STEWART would not submit the
2 purchase offer to Aurora Loan if Buyer Mohiuddin did not sign the agreement, and that
3 Respondent STEWART would find another buyer if Buyer Mohiuddin did not sign the
4 agreement. The agreement did not contain a definite date of final termination.

5 43

6 Within three years prior to the filing of this Accusation, on or about February 3,
7 2010, escrow for the sale of the Folsom property to Buyer Mohiuddin closed. In addition to the
8 total of \$18,000.00 paid as commissions to the listing real estate broker from the funds available
9 to Sellers Morrow, \$5,000.00 was also paid to Pardus Ventures, Inc., from the funds available to
10 Buyer Mohiuddin, and escrow was directed by Respondent STEWART to pay \$1,925.00 to
11 Stewart Ventures, Inc., from funds available to Sellers Morrow.

12 44

13 At no time herein mentioned prior to the close of escrow did Respondent
14 STEWART or Respondent RIVERSIDE inform Sellers Morrow that: 1.) he was requiring
15 buyers to pay for services related to the short sale; 2.) he had required the Buyer Mohiuddin to
16 sign the "S S Buyer Fee Agreement;" 3.) he was allocating 3% of the purchase price to Pardus
17 Ventures, Inc., for any purpose; 4.) he would be the ultimate recipient and beneficiary of the 3%
18 of the purchase price allocated to Pardus Ventures, Inc., which would increase his commission
19 to an amount in excess of the 7% maximum authorized in the listing agreement; and, 5.) that
20 Respondent STEWART was directing escrow to pay an additional \$1,925.00 of their funds to
21 Stewart Ventures, Inc.

22 45

23 Upon the close of escrow, there were insufficient funds to extinguish the
24 principal balance and costs dues under the junior note secured by the second deed of trust such
25 that Sellers Morrow remained contractually liable to Bank of America for the unpaid amounts
26 due.

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1
2 In truth and in fact, as Respondent STEWART and Respondent RIVERSIDE
3 knew or should have known at the time through the exercise of reasonable diligence, that: 1.) the
4 "S S Buyer Fee Agreement" submitted to the Buyer Mohiuddin would not and did not result in
5 any short sale negotiations or services to be performed by anyone other than by Respondent
6 STEWART; 2.); Respondent STEWART had no intention of limiting his compensation to the
7 amounts authorized under the listing agreement; 3.) Respondent STEWART had no intention of
8 disclosing to Sellers Morrow the compensation and/or profit he would receive through Pardus
9 Ventures, Inc.; 4.) Respondent STEWART had no intention of disclosing to Sellers Morrow the
10 compensation or profit he would receive through Stewart Ventures, Inc.; 5.) Sellers Morrow
11 would not have authorized the payment of any additional compensation or costs to Pardus
12 Ventures, Inc., or to Stewart Ventures, Inc.; 6.) as the real estate agent on behalf of Sellers
13 Morrow, Respondent STEWART alone had sole responsibility for negotiating with Aurora
14 Loan; 7.) that Pardus Ventures, Inc., was not authorized to conduct business within the state of
15 California and was not licensed by the Department to conduct activities for compensation,
16 including negotiations on behalf of others to sell real property, that required a real estate license;
17 and, 8.) that Stewart Ventures, Inc., was not licensed by the Department to conduct activities for
18 compensation, including negotiations on behalf of others to sell real property, that required a
19 real estate license.

20
21 The acts and/or omissions of Respondents described in Paragraphs 35 through
22 46, inclusive, above, constituted substantial misrepresentations, fraud, deceit, and dishonest
23 dealing.

24
25 The acts and/or omissions of Respondents as alleged in Paragraphs 35 through
26 47, inclusive, above, constitute grounds for the revocation or suspension of Respondents'
27 licenses and/or license rights:

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- a.) As to Respondents STEWART and RIVERSIDE, under Section 10176(a) of the Code [making any substantial misrepresentation];
- b.) As to Respondents STEWART and RIVERSIDE, under Section 10176(f) of the Code [licensee claiming or demanding compensation under an agreement for performing licensed acts not containing a definite and final date of termination];
- c.) As to Respondents STEWART and RIVERSIDE, under Section 10176(g) of the Code [licensee claiming or taking any secret or undisclosed compensation or profit or failure to disclose full amount of compensation or profit to licensee's employer];
- d.) As to Respondents STEWART and RIVERSIDE, under Section 10176(i) of the Code [engaged in any other conduct, while acting in a licensed capacity whether of the same or different character than specified in this section, constituting fraud or dishonest dealing];
- e.) As to Respondents STEWART and RIVERSIDE, under Section 10177(g) [demonstrated negligence or incompetence in performing an act for which he or she is required to hold a license];
- f.) As to Respondents STEWART and RIVERSIDE, under Section 10177(j) of the Code [engaged in any other conduct, whether of the same or different character than specified in this section, constituting fraud or dishonest dealing];
- g.) As to Respondent STEWART, under Section 10137 of the Code [no real estate salesman shall be employed by or accept compensation from any person other than the broker under whom he licensed at the time] in conjunction with Section 10177(d) of the Code [suspension or revocation of license for willful disregard or violation of the Real Estate Law,

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1 Sections 10000 et seq. and Sections 11000 et seq. of the Code, or of the
2 Regulations]; and/or,

3 h.) As to Respondent STEWART, under Section 10138 of the Code
4 [unlawful to pay or deliver compensation to anyone for performing acts
5 requiring a real estate license when such payee is not known to be so
6 licensed] in conjunction with Section 10177(d) of the Code.

7 THIRD CAUSE OF ACTION

8 49

9 There is hereby incorporated in this Third, separate and distinct, Cause of Action,
10 all of the allegations contained in Paragraphs 1 through 48, inclusive, of the Accusation with the
11 same force and effect as if herein fully set forth.

12 50

13 At all times above mentioned, Respondent HALL was responsible, as the
14 designated broker officer of Respondent DHI, for the supervision and control of the activities
15 conducted on behalf of the corporation by its officers and employees. Respondent HALL failed
16 to exercise reasonable supervision and control over the real property purchase and sale activities
17 of Respondent DHI. In particular, Respondent HALL permitted, ratified, and/or caused the
18 conduct described in the First and Second Causes of Action, above, to occur, and failed to take
19 reasonable steps, including but not limited to: the review of transactional documents; review of
20 purchase agreements; review of escrow instructions; review of settlement statements; prevent
21 misrepresentations and false statements on transactional documents; prevent the payment of
22 commissions to unlicensed entities; assure full disclosure of all compensation and profits
23 received by licensed salesperson employees; failure to intervene in a transaction to protect
24 consumers from the fraud of a licensed salesperson employee; the supervision of employees;
25 and, the implementation of policies, rules, procedures, and systems to ensure the compliance of
26 the corporation with the Real Estate Law.

27 ///

The above acts and/or omissions of Respondent HALL constitute grounds for the suspension or revocation of the licenses and licensing rights of Respondent under the provisions of Section 10159.2 of the Code [designated broker/officer responsible for supervision and control of activities conducted on behalf of corporation by officers, licensed salespersons and employees to secure compliance with the Real Estate Law] and Section 2725 of the Regulations [broker shall: exercise reasonable supervision over licensed employees; establish policies and procedures for compliance with Real Estate Law; supervise transactions requiring a real estate license; trust fund handling; etc.] all in conjunction with Section 10177(d) of the Code and/or under the provisions of Section 10177(h) of the Code [suspension or revocation for broker or designated broker/officer who fails to exercise reasonable supervision of licensed employees or licensed activities of broker corporation].

FOURTH CAUSE OF ACTION

There is hereby incorporated in this Fourth, separate and distinct, Cause of Action, all of the allegations contained in Paragraphs 1 through 51, inclusive, of the Accusation with the same force and effect as if herein fully set forth.


At all times above mentioned, Respondent HOELKER was responsible, as the designated broker officer of Respondent RIVERSIDE, for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees. Respondent HOELKER failed to exercise reasonable supervision and control over the real property purchase and sale activities of Respondent RIVERSIDE. In particular, Respondent HOELKER permitted, ratified, and/or caused the conduct described in the Second Cause of Action, above, to occur, and failed to take reasonable steps, including but not limited to: the review of transactional documents; review of purchase agreements; review of escrow instructions; review of settlement statements; prevent misrepresentations and false statements on transactional

1 documents; prevent the payment of commissions to unlicensed entities; assure full disclosure of
2 all compensation and profits received by licensed salesperson employees; failure to intervene in
3 a transaction to protect consumers from the fraud of a licensed salesperson employee; the
4 supervision of employees; and, the implementation of policies, rules, procedures, and systems to
5 ensure the compliance of the corporation with the Real Estate Law.

6 51

7 The above acts and/or omissions of Respondent HOELKER constitute grounds
8 for the suspension or revocation of the licenses and licensing rights of Respondent under the
9 provisions of Section 10159.2 of the Code [designated broker/officer responsible for supervision
10 and control of activities conducted on behalf of corporation by officers, licensed salespersons
11 and employees to secure compliance with the Real Estate Law] and Section 2725 of the
12 Regulations [broker shall: exercise reasonable supervision over licensed employees; establish
13 policies and procedures for compliance with Real Estate Law; supervise transactions requiring a
14 real estate license; trust fund handling; etc.] all in conjunction with Section 10177(d) of the
15 Code and/or under the provisions of Section 10177(h) of the Code [suspension or revocation for
16 broker or designated broker/officer who fails to exercise reasonable supervision of licensed
17 employees or licensed activities of broker corporation].

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

23 
24 _____

25 TRICIA D. SOMMERS
26 Deputy Commissioner

26 Dated at Sacramento, California

27 this 14th day of September, 2010