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FILED

DEC 05 2019

DEPARTMENT OF REAL ESTATE  
By B. N. Chulas

8 DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \* \*

11 To:  
12 ELLIOTT HOMES, INC. and  
13 HARRY CECIL ELLIOTT III,  
14 Respondents.  
15

DRE No. H-6900 SAC

ORDER TO DESIST AND REFRAIN

(B&P Code section 11019)

16 RE: VERANDA AT STONERIDGE (Lots 24-47, inclusive, and 115-135, inclusive,  
17 of Final Map of Veranda Subdivision No. PL13-0314; all in the City of Roseville, State of  
18 California)

19 VERANDA AT STONE CREEK (Lots 28, 30-33, inclusive, 35, 38-41, inclusive,  
20 43, 44, 47-49, inclusive, and 51, of Final Map of Veranda at Stone Creek, Subdivision No.  
FM216-002-01; all in the City of Rancho Cordova, State of California)

21 The Real Estate Commissioner of the State of California has determined from  
22 evidence available to him that you have violated Sections 11010, 11018.2 and 11019(a)(1) of the  
23 Business and Professions Code of the State of California ("**Code**").

24 1.

25 You, ELLIOTT HOMES, INC. ("**EHI**") and HARRY CECIL ELLIOTT III, are  
26 the owner or agent of the owner of certain subdivided real properties as defined in Sections  
27 11000 and 11004.5 of the Code.

1 2.

2 Such subdivided real properties are known or commonly referred to as (a)  
3 Veranda at Stoneridge, which is located in the City of Roseville, State of California  
4 (“**Stoneridge Subdivision**”) and (b) Veranda at Stone Creek, which is located in the City of  
5 Rancho Cordova, State of California (“**Stone Creek Subdivision**”).

6 3.

7 Beginning in or around October of 2017, EHI began soliciting prospective  
8 purchasers, offering for sale, and selling lots or other interests in the Stoneridge Subdivision.

9 4.

10 Beginning in or around March of 2018, EHI began soliciting prospective  
11 purchasers, offering for sale, and selling lots or other interests in the Stone Creek Subdivision.

12 5.

13 EHI entered into a contract to sell Lot 115 in the Stoneridge Subdivision to a  
14 member of the public, Tamika R. (“**Tamika R.**”).<sup>1</sup> On May 24, 2019, EHI conveyed Lot 115 to  
15 Tamika R.

16 6.

17 EHI entered into a contract to sell Lot 49 in the Stone Creek Subdivision to a  
18 member of the public, Juanita C. (“**Juanita C.**”). On April 26, 2019, EHI conveyed Lot 49 to  
19 Juanita C.

20 7.

21 EHI entered into contracts to sell other lots in the Stoneridge Subdivision (i.e.,  
22 Lots 116 through 135, inclusive [**“Stoneridge Additional Lots”**]) and the Stone Creek  
23 Subdivision (i.e., Lots 30 through 33, inclusive, 38 through 41, inclusive, 43, 44, 47, 48 and 51  
24 [**“Stone Creek Additional Lots”**]) to other members of the public. On various dates, EHI

25  
26  
27 <sup>1</sup> The first names and first initials of the last names of members of the public are used in place of their full names in this Order to protect their privacy. Documents containing these individuals’ full names will be provided during the discovery phase of this case to Respondents and/or their counsel after service of a timely and proper request for discovery on Complainant’s counsel.

1 conveyed the Stoneridge Additional Lots and the Stone Creek Additional Lots to other members  
2 of the public.

3 8.

4 On various dates, EHI also entered into contracts to sell additional lots in the  
5 Stoneridge Subdivision (i.e., Lots 24 through 47, inclusive [**"Stoneridge Contracted Lots"**])  
6 and the Stone Creek Subdivision (i.e., Lots 28 and 35 [**"Stone Creek Contracted Lots"**]) to  
7 additional members of the public.

8 9.

9 DRE has determined through an investigation that you, individually and/or  
10 through your agents, entered into contracts to sell and subsequently conveyed Lot 115 and the  
11 Stoneridge Additional Lots as well as Lot 49 and the Stone Creek Additional Lots (collectively,  
12 **"Conveyed Lots"**) to Tamika R. and Juanita C. as well as other members of the public, and  
13 entered into contracts to sell the Stoneridge Contracted Lots and the Stone Creek Contracted Lots  
14 (collectively, **"Contracted Lots"**) to additional members of the public, without having first  
15 obtained public reports from the California Department of Real Estate (**"DRE"**) for the  
16 Conveyed Lots and the Contracted Lots.

17 10.

18 DRE has further determined through an investigation that you, individually and/or  
19 through your agents, did not annex the Conveyed Lots into the respective homeowners  
20 associations for the Stoneridge Subdivision and the Stone Creek Subdivision and, thus, the  
21 Conveyed Lots were not made subject to the respective subdivision's covenants, conditions and  
22 restrictions before the Conveyed Lots were conveyed to Tamika R. and Juanita C. as well as  
23 other members of the public. As a consequence, the Conveyed Lots are not a part of the  
24 respective homeowners associations that were created for the purposes of managing the  
25 respective subdivisions, including the Conveyed Lots. This significantly impacts the Conveyed  
26 Lots and the Contracted Lots as well as those other interests that were previously conveyed to  
27 other members of the public under the authority of the public reports that were previously issued

1 by DRE covering those other interests in the respective subdivisions.


2 11.

3 You, individually and/or through your agents, have offered for sale and conveyed  
4 the Conveyed Lots, and offered for sale the Contracted Lots, without having (a) filed with DRE  
5 the requisite notices of intention and completed questionnaires, which is in violation of 11010 of  
6 the Code, and (b) obtained public reports, which is in violation of 11018.2 of the Code.

7 NOW, THEREFORE, YOU, ELLIOTT HOMES, INC., YOUR OFFICERS,  
8 AGENTS AND EMPLOYEES, AS WELL AS YOU, HARRY CECIL ELLIOTT III, ARE  
9 HEREBY ORDERED TO DESIST AND REFRAIN from selling or leasing or offering for sale  
10 or lease any lots or other interests in the Stoneridge Subdivision and the Stone Creek Subdivision  
11 until you have, first, filed with DRE the requisite notices of intention and completed  
12 questionnaires and obtained conditional public reports with respect to the Contracted Lots;  
13 second, after obtaining such conditional public reports, offered a complete rescission to those  
14 owners who have closed escrow for the Conveyed Lots and those buyers who are currently in  
15 escrow for the Contracted Lots and; third, complied with any and all other requests from DRE's  
16 District Manager for the Sacramento District Office (including, but not limited to, addressing to  
17 DRE's satisfaction the failure to annex the Conveyed Lots into the respective subdivisions) in  
18 connection with your addressing the violations set forth in this ORDER.

19 DATED: December 3, 2019.

20 DANIEL J. SANDRI  
21 ACTING REAL ESTATE COMMISSIONER

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