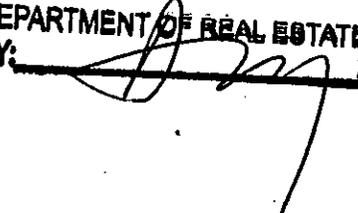


Path

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

FILED

MAR 22 2012

DEPARTMENT OF REAL ESTATE
BY: 

5
6
7
8
9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)
13)
14 CENTURY 21 LUDECKE INC.; and)
15 and MICHAEL WILLIAM LUDECKE,)
16 individually and as designated)
17 officer of Century 21 Ludecke Inc.,)
18 Respondents.)
19)
20)

No. H-37162 LA
L-2011040499

STIPULATION
AND
AGREEMENT

21 It is hereby stipulated by and between Respondents CENTURY 21 LUDECKE
22 INC. and MICHAEL WILLIAM LUDECKE, individually and as designated officer of Century
23 21 Ludecke Inc. (sometimes collectively referred to as "Respondents"), represented by Frank M.
24 Buda, Esq. and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the
25 Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation
26 ("Accusation") filed on March 23, 2011 in this matter:

27 ///

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

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

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

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

23 5. This Stipulation is made for the purpose of reaching an agreed disposition of
24 this proceeding and is expressly limited to this proceeding and any other proceeding or case in
25 which the Department of Real Estate ("Department"), the state or federal government, or any
26 agency of this state, another state or federal government is involved.

27 ///

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

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

14 8. Respondents understand that by agreeing to this Stipulation, Respondents agree
15 to pay, pursuant to Business and Professions Code Section 10148, the cost of the audit. The
16 amount of said cost for the original audit (LA 090107) is \$3,902.60.

17 9. Respondents have received, read, and understand the "Notice Concerning
18 Costs of Subsequent Audit". Respondents further understand that by agreeing to this Stipulation,
19 the findings set forth below in the Determination of Issues become final, and the Commissioner
20 may charge Respondents for the cost of any subsequent audit conducted pursuant to Business and
21 Professions Code Section 10148 to determine if the violations have been corrected. The
22 maximum cost of the follow-up audit will not exceed \$3,902.60.

23 ///

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1 II.

2 Pursuant to Section 10148 of the Business and Professions Code, Respondents

3 CENTURY 21 LUDECKE INC. and MICHAEL WILLIAM LUDECKE shall pay the
4 Commissioner's reasonable cost for (a) the audit which led to this disciplinary action and (b) a
5 subsequent audit to determine if Respondents are now in compliance with the Real Estate Law.
6 The cost of the audit which led to this disciplinary action is \$3,902.60. In calculating the amount
7 of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly
8 salary for all persons performing audits of real estate brokers, and shall include an allocation for
9 travel time to and from the auditor's place of work. Said amount for the prior and subsequent
10 audits shall not exceed \$7,805.20. Respondents shall pay such cost within 60 days of receiving
11 an invoice from the Commissioner detailing the activities performed during the audit and the
12 amount of time spent performing those activities.

13 The Commissioner may suspend the license of Respondent pending a hearing held

14 in accordance with Section 11500, et seq., of the Government Code, if payment is not timely
15 made as provided for herein, or as provided for in a subsequent agreement between the
16 Respondents and the Commissioner. The suspension shall remain in effect until payment is
17 made in full or until Respondent enters into an agreement satisfactory to the Commissioner to
18 provide for payment, or until a decision providing otherwise is adopted following a hearing held
19 pursuant to this condition.

20 III.

21 Respondent MICHAEL WILLIAM LUDECKE shall, within nine (9) months from

22 the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner
23 that Respondent has, since the most recent issuance of an original or renewal real estate license,
24 taken and successfully completed the continuing education requirements of Article 2.5 of
25 Chapter 3 of the Real Estate Law for renewal of a real estate license. If Respondent fails to
26 satisfy this condition, the Commissioner may order the suspension of Respondent's license until
27 Respondent presents such evidence. The Commissioner shall afford Respondent the opportunity

1 for a hearing pursuant to the Administrative Procedure Act to present such evidence.

2
3 DATED: 2-3-12

4 EJL
ELLIOTT MAC LENNAN, Counsel for
Department of Real Estate

5 * * *

6 EXECUTION OF THE STIPULATION

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

15 MAILING AND FACSIMILE

16 Respondents (1) shall mail the original signed signature page of the stipulation
17 herein to Elliott Mac Lennan: Attention: Legal Section, Department of Real Estate, 320 W.
18 Fourth St., Suite 350, Los Angeles, California 90013-1105. Respondents shall also (2) facsimile
19 a copy of signed signature page, to the Department at the following telephone/fax number: (213)
20 576-6917, Attention: Elliott Mac Lennan.

21 A facsimile constitutes acceptance and approval of the terms and conditions of
22 this stipulation. Respondents agree, acknowledge and understand that by electronically sending
23 to the Department a facsimile copy of Respondents' actual signature as it appears on the
24 stipulation that receipt of the facsimile copy by the Department shall be as binding on
25 Respondents as if the Department had received the original signed stipulation.
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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondents CENTURY 21 LUDECKE INC. and MICHAEL WILLIAM LUDECKE and shall become effective at 12 o'clock noon on April 11, 2012.

IT IS SO ORDERED 2/17, 2012.

BARBARA J. BIGBY
Acting Real Estate Commissioner

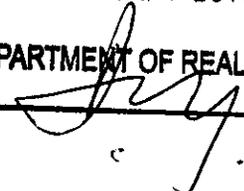


1 ELLIOTT MAC LENNAN, SBN 66674
2 Department of Real Estate
3 320 West 4th Street, Ste. 350
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6911 (direct)
6 -or- (213) 576-6982 (office)

FILED

MAR 23 2011

DEPARTMENT OF REAL ESTATE
BY: 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * * *

11 In the Matter of the Accusation of)

No. H-37162 ~~LA~~

12 CENTURY 21 LUDECKE INC.;)
13 and MICHAEL WILLIAM LUDECKE,)
14 individually and as designated)
15 officer of Century 21 Ludecke Inc.,)

A C C U S A T I O N

16 Respondents.)

17 The Complainant, Robin Trujillo, a Deputy Real Estate
18 Commissioner of the State of California, for cause of Accusation
19 against CENTURY 21 LUDECKE INC. and MICHAEL WILLIAM LUDECKE,
20 individually and as designated officer of Century 21 Ludecke
21 Inc., alleges as follows:

22 1.

23 The Complainant, Robin Trujillo, acting in her official
24 capacity as a Deputy Real Estate Commissioner of the State of
25 California, makes this Accusation.

26 ///

1 2.

2 All references to the "Code" are to the California
3 Business and Professions Code and all references to "Regulations"
4 are to Title 10, Chapter 6, California Code of Regulations.

5 3.

6 A. CENTURY 21 LUDEKCE INC. (C21LI) and MICHAEL WILLIAM
7 LUDECKE (LUDECKE) were licensed or had license rights issued by
8 the Department of Real Estate (Department) as real estate
9 brokers.

10 B. C21LI was originally licensed by the Department as
11 a corporate real estate broker by and through LUDECKE on December
12 5, 2002, pursuant to Code Sections 10211 and 10159.2 for
13 supervising the activities requiring a real estate license
14 conducted on behalf of C21LI.

15 C. LUDECKE was originally licensed as a real estate
16 broker on May 24, 1974. LUDECKE is sole officer, director and
17 owner of C21LI.

18 Brokerage

19 4.

20 At all times mentioned, in the City of Arcadia and
21 County of Los Angeles, C21LI and LUDECKE acted as real estate
22 brokers and conducted licensed activities within the meaning of:

23 A. Code Section 10131(a). Respondent's dba Orange
24 Home Realty engaged in the business of, acted in the capacity of,
25 advertised or assumed to act as a real estate broker, including
26 the solicitation for listings of and the negotiation of the sale
27 of real property as the agent of others.

1 broker, for performing acts for which a real estate license is
2 required, including soliciting mortgage loans, in violation of
3 Code Section 10137.

4 Nazabal was employed by LUDECKE from March 28, 2008 to
5 January 19, 2009. Yet after LUDECKE, terminated Nazabal's
6 employment with C21LI, LUDECKE continued to compensate Nazabal by
7 crediting for sales commissions earned against the balance of a
8 \$90,000 loan LUDECKE made to Nazabal, after a time when Nazabal
9 was no longer employed by C21LI, to wit, January 19, 2009.
10 Nazabal was compensated \$27,759.14, during the period from
11 January 23, 2009 to April 8, 2009.

12 (b) Failed to maintain an accurate and complete control
13 record in the form of a columnar record in chronological order of
14 all "Trust Funds Received, Not Placed Broker's Trust Account", in
15 violation of Code Section 10145 and Regulations 2831, 2950(d) and
16 2951.

17 (c) Represented to sellers that C21LI held an earnest
18 money deposits from borrowers S. Landis, A. Barba, S. Morrisey,
19 C. Lu, Y. QU, M. Hoang, when untrue, in violation of Code
20 Sections 10145, 10176(a) and/or 10177(g).

21 (d) Used the fictitious name "C21 Ludecke" and "C-21
22 Ludecke" to conduct licensed activities, without holding a
23 license bearing the fictitious business names, in violation of
24 Code Section 10159.5 and Regulation 2731.

25 (e) Failed to retain all records of C21LI's activity
26 during the audit period requiring a real estate broker license
27 including failing to retain all of the sale transactions of

1 salesperson Richard Nazabal, in violation of Code Section 10148.

2 DISCIPLINARY STATUES AND REGULATIONS

3 8.

4 The conduct of Respondents C21LI and, as alleged and
5 described in Paragraph 7, above, violated the Code and the
6 Regulations as set forth below:

7	<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
8	7(a)	Code Section 10137
9		
10		
11	7(b)	Code Section 10145 and Regulations
12		2831, 2950(d) and 2951
13		
14		
15	7(c)	Code Sections 10145, 10176(a) and
16		10177(g)
17		
18		
19	7(d)	Code Section 10159.5 and Regulation
20		2731
21		
22	7(e)	Code Section 10148
23		

24 The foregoing violations constitute cause for the suspension or
25 revocation of the real estate license and license rights of C21LI
26 and LUDECKE, under the provisions of Code Sections 10137,
27 10176(a), 10177(d) and/or 10177(g).

1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondents
5 CENTURY 21 LUDECKE INC. and MICHAEL WILLIAM LUDECKE, under the
6 Real Estate Law (Part 1 of Division 4 of the Business and
7 Professions Code) and for such other and further relief as may be
8 proper under other applicable provisions of law including
9 repatriation of commissions paid re the Richard Nazabal REO
10 transactions and for costs of audit.

11 Dated at Los Angeles, California

12 this 13 day of January 2011. Robin Trujillo
13 Deputy Real Estate Commissioner

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cc: Century 21 Ludecke Inc.
c/o Michael William Ludecke D.O.
Robin Trujillo
Sacto
Audits - Chona Soriano