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1 2 3 4 5 6 7	FILED JAN 2 1 2020 DEPT. OF REAL PSTATE By
8	BEFORE THE DEPARTMENT OF REAL ESTATE
9	STATE OF CALIFORNIA
10	***
11	In the Matter of the Accusation of) No. H-40961 LA
12	J.R. APEX REALTY) <u>STIPULATION AND AGREEMENT</u>
13	CORPORATION, doing business as) Ambassador Property Management;)
1.4	and JOHN ROBERT RATZLAFF,
15	Respondents.
16)
17	It is hereby stipulated by and between Respondents J.R. APEX REALTY
18	CORPORATION and JOHN ROBERT RATZLAFF ("Respondents"), represented by
19	David D. Ribeiro, and the Complainant, acting by and through Steve Chu, Counsel for the
20	Department of Real Estate ("Department"), as follows for the purpose of settling and disposing
21	of the Accusation filed on March 5, 2018, in this matter:
22	1. All issues which were to be contested and all evidence which was to be
23	presented by Complainant and Respondents at a formal hearing on the Accusation, which
24 25	hearing was to be held in accordance with the provisions of the Administrative Procedure Act
25 26	("APA"), shall instead and in place thereof be submitted solely on the basis of the provisions of
20	this Stipulation and Agreement ("Stipulation").
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2. Respondents have received, read and understand the Statement to Respondent, the Discovery Provisions of the APA, and the Accusation filed by the Department of Real Estate in this proceeding.

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4 3. On March 14, 2018, Respondents filed a Notice of Defense pursuant to Section 11506 of the Government Code for the purpose of requesting a hearing on the 5 allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said Notice 6 7 of Defense. Respondents acknowledge that Respondents understand that by withdrawing said Notice of Defense, Respondents will thereby waive Respondents' right to require the Real 8 9 Estate Commissioner ("Commissioner") to prove the allegations in the Accusation at a 10 contested hearing held in accordance with the provisions of the APA and that Respondents will 11 waive other rights afforded to Respondents in connection with the hearing such as the right to present evidence in defense of the allegations in the Accusation and the right to cross-examine 12 13 witnesses.

Respondents, pursuant to the limitations set forth below, hereby admit
 that the factual allegations in the Accusation filed in this proceeding are true and correct and the
 Commissioner shall not be required to provide further evidence to prove such allegations.

¹⁷ 5. It is understood by the parties that the Real Estate Commissioner may
¹⁸ adopt the Stipulation as his Decision in this matter, thereby imposing the penalty and sanctions
¹⁹ on Respondents' real estate license and license rights as set forth in the below Order. In the
²⁰ event that the Commissioner in his discretion does not adopt the Stipulation, it shall be void
²¹ and of no effect, and Respondents shall retain the right to a hearing and proceeding on the
²² Accusation under all the provisions of the APA and shall not be bound by any admission or
²³ waiver made herein.

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

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. 1	DETERMINATION OF ISSUES
2	By reason of the foregoing stipulations, admissions, and waivers, and solely for
3	the purpose of settlement of the pending Accusation without a hearing, it is stipulated and
4	agreed that the following Determination of Issues shall be made:
5	I.
6	The conduct, acts, and/or omissions of Respondent J.R. APEX REALTY
7	CORPORATION, as described in the Accusation, constitute cause for the suspension or
8	revocation of all real estate licenses and license rights of Respondent J.R. APEX REALTY
9	CORPORATION under California Business and Professions Code ("Code") sections 10177(d)
10	and 10177(g) for violation of Code sections 10130 and 10145 and Title 10, Chapter 6,
11	California Code of Regulations ("Regulations") sections 2831, 2831.1, 2831.2, and 2832.1.
12	П.
13	The conduct, acts, and/or omissions of Respondent JOHN ROBERT
14	RATZLAFF, as described in the Accusation, constitute cause for the suspension or revocation
15	of all real estate licenses and license rights of Respondent JOHN ROBERT RATZLAFF under
16	Code section 10177(d) for violation of Code section 10130.
17	ORDER
18	I.
19	All licenses and licensing rights of Respondent J.R. APEX REALTY
20	CORPORATION under the Real Estate Law are revoked; provided, however, a restricted
21	corporate real estate broker license shall be issued to Respondent pursuant to Section 10156.5
22	of the Code if Respondent makes application therefor and pays to the Department the
23	appropriate fee for the restricted license within ninety (90) days from the effective date of this
24	Decision. The restricted license issued to Respondent shall be subject to all of the provisions of
25	Section 10156.7 of the Code and to the following limitations, conditions, and restrictions
26	imposed under Section 10156.6 of the Code:
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1. The restricted license issued to Respondent may be suspended prior to
 hearing by Order of the Real Estate Commissioner in the event of Respondent's conviction,
 plea of guilty, or plea of nolo contendere to a crime which is substantially related to
 Respondent's fitness or capacity as a real estate licensee.

⁵ 2. The restricted license issued to Respondent may be suspended prior to
⁶ hearing by Order of the Real Estate Commissioner on evidence satisfactory to the
⁷ Commissioner that Respondent has violated provisions of the California Real Estate Law, the
⁸ Subdivided Lands Law, Regulations of the Real Estate Commissioner, or the conditions
⁹ attaching to this restricted license.

Respondent shall not be eligible to apply for the issuance of an
 unrestricted real estate license, including designated officer or mortgage loan originator
 endorsement, nor for the removal of any of the conditions, limitations or restrictions of a
 restricted license until two (2) years have elapsed from the effective date of this Decision and
 Order. Respondent withdraws all pending license applications.

15 4. All licenses and licensing rights of Respondent J.R. APEX REALTY CORPORATION are indefinitely suspended unless or until Respondent J.R. APEX REALTY 16 CORPORATION pays, jointly and severally with Respondent JOHN ROBERT RATZLAFF, 17 18the sum of \$13,013.72 for the Commissioner's cost of the audit which led to this disciplinary action pursuant to Code section 10148. Said payment shall be in the form of a cashier's check 19 made payable to the Department of Real Estate. The audit cost must be delivered to the 20 Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, $\mathbf{21}$ 22 prior to the effective date of this Decision and Order.

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1 5. All licenses and licensing rights of Respondent J.R. APEX REALTY 2 CORPORATION are indefinitely suspended unless or until Respondent J.R. APEX REALTY 3 CORPORATION pays, jointly and severally with Respondent JOHN ROBERT RATZLAFF, 4 the sum of \$3,298.60 for the Commissioner's reasonable cost of the investigation and 5 enforcement which led to this disciplinary action. Said payment shall be in the form of a cashier's check made payable to the Department of Real Estate. The investigative and 6 7 enforcement costs must be delivered to the Department of Real Estate, Flag Section at 8 P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this Decision and Order.

10 6. Respondent J.R. APEX REALTY CORPORATION shall pay, jointly 11 and severally with Respondent JOHN ROBERT RATZLAFF, the Commissioner's reasonable cost, not to exceed \$16,267.15, for any subsequent audit to determine if Respondent J.R. APEX 12REALTY CORPORATION has corrected the violations found in the Determination of Issues. 13 In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use 14 15 the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. Respondent 16 J.R. APEX REALTY CORPORATION shall pay such cost within sixty (60) days of receiving 17 an invoice therefore from the Commissioner. If Respondent J.R. APEX REALTY 18 CORPORATION fails to satisfy this condition in a timely manner as provided for herein, 19 20 Respondent J.R. APEX REALTY CORPORATION'S real estate licenses shall automatically be suspended until payment is made in full, or until a decision providing otherwise is adopted 21 following a hearing held pursuant to this condition. 22 ///

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2 All licenses and licensing rights of Respondent JOHN ROBERT RATZLAFF under the Real Estate Law are revoked; provided, however, a restricted real estate salesperson 3 license shall be issued to Respondent pursuant to Section 10156.5 of the Code if Respondent 4 makes application therefor and pays to the Department the appropriate fee for the restricted 5 license within ninety (90) days from the effective date of this Decision. The restricted license 6 issued to Respondent shall be subject to all of the provisions of Section 10156.7 of the Code 7 and to the following limitations, conditions, and restrictions imposed under Section 10156.6 of 8 the Code:

10 1. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondent's conviction, 11 plea of guilty, or plea of nolo contendere to a crime which is substantially related to 12 13 Respondent's fitness or capacity as a real estate licensee.

142. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the 15 Commissioner that Respondent has violated provisions of the California Real Estate Law, the 16 Subdivided Lands Law, Regulations of the Real Estate Commissioner, or the conditions 17 18 attaching to this restricted license.

19 3. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license, including designated officer or mortgage loan originator 2021 endorsement, nor for the removal of any of the conditions, limitations or restrictions of a restricted license until two (2) years have elapsed from the effective date of this Decision and 22 Order. Respondent withdraws all pending license applications. 23

 $\mathbf{24}$ Respondent shall submit with any application for license under an 4. employing broker, or any application for transfer to a new employing broker, a statement signed 25 by the prospective employing real estate broker, on a form approved by the Department of Real 2627 Estate, which shall certify:

II.

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- (a) That the employing broker has read the Decision of the Commissioner which granted the right to a restricted license; and
- (b) That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.

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

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Respondent shall, within nine (9) months from the effective date of this 6. Decision and Order, present evidence satisfactory to the Commissioner that Respondent has, 12 13 since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the 14 Real Estate Law for renewal of a real estate license. If Respondent fails to satisfy this 15condition, Respondent's real estate license shall automatically be suspended until Respondent 16 presents evidence satisfactory to the Commissioner of having taken and successfully completed 17 the continuing education requirements. Proof of completion of the continuing education 18courses must be delivered to the Department of Real Estate, Flag Section at P.O. Box 137013, 19 20 Sacramento, CA 95813-7013.

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· 1	7. All licenses and licensing rights of Respondent JOHN ROBERT
2	RATZLAFF are indefinitely suspended unless or until Respondent JOHN ROBERT
3	RATZLAFF pays, jointly and severally with Respondent J.R. APEX REALTY
4	CORPORATION, the sum of \$13,013.72 for the Commissioner's cost of the audit which led to
5	this disciplinary action pursuant to Code section 10148. Said payment shall be in the form of a
6	cashier's check made payable to the Department of Real Estate. The audit cost must be
7	delivered to the Department of Real Estate, Flag Section at P.O. Box 137013,
8	Sacramento, CA 95813-7013, prior to the effective date of this Decision and Order.
9	8. All licenses and licensing rights of Respondent JOHN ROBERT
10	RATZLAFF are indefinitely suspended unless or until Respondent JOHN ROBERT
11	RATZLAFF pays, jointly and severally with Respondent J.R. APEX REALTY
12	CORPORATION, the sum of \$3,298.60 for the Commissioner's reasonable cost of the
13	investigation and enforcement which led to this disciplinary action. Said payment shall be in
14	the form of a cashier's check made payable to the Department of Real Estate. The investigative
15	and enforcement costs must be delivered to the Department of Real Estate, Flag Section at
16	P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this Decision and
17	Order.
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1	9. Respondent JOHN ROBERT RATZLAFF shall pay, jointly and severally		
2	with Respondent J.R. APEX REALTY CORPORATION, the Commissioner's reasonable cost,		
3	not to exceed \$16,267.15, for any subsequent audit to determine if Respondent J.R. APEX		
4	REALTY CORPORATION has corrected the violations found in the Determination of Issues.		
5	In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use		
6	the estimated average hourly salary for all persons performing audits of real estate brokers, and		
7	shall include an allocation for travel time to and from the auditor's place of work. Respondent		
8	J.R. APEX REALTY CORPORATION shall pay such cost within sixty (60) days of receiving		
9	an invoice therefore from the Commissioner. If Respondent J.R. APEX REALTY		
10	CORPORATION fails to satisfy this condition in a timely manner as provided for herein,		
11	Respondent J.R. APEX REALTY CORPORATION'S real estate licenses shall automatically		
12	be suspended until payment is made in full, or until a decision providing otherwise is adopted		
13	following a hearing held pursuant to this condition.		
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15	DATED: 12-3-2019 MD2		
16	Steve Chu, Counsel Department of Real Estate		
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I have read the Stipulation and Agreement. I understand that I am waiving rights
given to me by the California Administrative Procedure Act, (including but not limited to
Sections 11521 and 11523 of the Government Code), and I willingly, intelligently, and
voluntarily waive those rights, including the right to seek reconsideration and the right to seek
judicial review of the Commissioner's Decision and Order by way of a writ of mandate.

I agree, acknowledge, and understand that I cannot rescind or amend this
Stipulation and Agreement.

I can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by mailing the original signed Stipulation and Agreement to: Steve Chu, Department of Real Estate, 320 West 4th Street, Suite 350, Los Angeles, California 90013-1105. Steve Chu must receive the original signed Stipulation and Agreement or a copy faxed to (213) 576-6917 by November 22, 2019; if not, this Stipulation and Agreement is invalid and void because the sum for the Commissioner's reasonable cost of the investigation and enforcement which led to this disciplinary action will increase.

16 DATED: 17 19

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DATED:

DATED:

J.R. APEX REALTY CORPORATION Respondent By JOHN ROBERT RATZLAFF, as President of J.R. Apex Realty Corporation

*J*ØHN ROBERT Respondent

David D. Ribeiro Counsel for Respondents Approved as to Form

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I have read the Stipulation and Agreement. I understand that I am waiving rights 2 given to me by the California Administrative Procedure Act, (including but not limited to 3 Sections 11521 and 11523 of the Government Code), and I willingly, intelligently, and 4 voluntarily waive those rights, including the right to seek reconsideration and the right to seek judicial review of the Commissioner's Decision and Order by way of a writ of mandate.

* * *

7 I agree, acknowledge, and understand that I cannot rescind or amend this 8 Stipulation and Agreement.

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DATED: J.R. APEX REALTY CORPORATION Respondent By JOHN ROBERT RATZLAFF, as President of J.R. Apex Realty Corporation DATED: JOHN ROBERT RATZLAFF Respondent DATED: David D. Ribeiro Counsel for Respondents Approved as to Form

* * * The foregoing Stipulation and Agreement is hereby adopted by me as my Decision in this matter as to Respondents J.R. APEX REALTY CORPORATION and JOHN ROBERT RATZLAFF, and shall become effective at 12 o'clock noon on February 10, 2020. IT IS SO ORDERED 12SANDRA KNAU ACTING REAL ESTATE COMMISSIONER - 11 -