

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

4 3. On October 28, 2019, each of the Respondents filed a Notice of Defense pursuant
5 to section 11506 of the Government Code for the purpose of requesting a hearing on the
6 allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said Notices
7 of Defense. Respondents acknowledge that Respondents understand that by withdrawing said
8 Notices of Defense, Respondents will thereby waive Respondents' right to require the Real Estate
9 Commissioner ("Commissioner") to prove the allegations in the Accusation at a contested hearing
10 held in accordance with the provisions of the APA and that Respondents will waive other rights
11 afforded to Respondents in connection with the hearing such as the right to present evidence in
12 defense of the allegations in the Accusation and the right to cross-examine witnesses.

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

19 5. This Stipulation and Respondents' decision not to contest the Accusation are made
20 for the purpose of reaching an agreed disposition of this proceeding and are expressly limited to
21 this proceeding and any other proceeding or case in which the Department, or another licensing
22 agency of this state, another state, or if the federal government is involved, and otherwise shall not
23 be admissible in any other criminal or civil proceedings.

24 6. It is understood by the parties that the Real Estate Commissioner may adopt the
25 Stipulation as his Decision in this matter, thereby imposing the penalty and sanctions on
26 Respondents' real estate licenses and license rights as set forth in the below Order. In the event
27 that the Commissioner in his discretion does not adopt the Stipulation, it shall be void and of no

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1 effect, and Respondents shall retain the right to a hearing and proceeding on the Accusation under
2 all the provisions of the APA and shall not be bound by any admission or waiver made herein.

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

7 8. Respondents understand that by agreeing to this Stipulation, Respondents agree to
8 pay, and have paid, pursuant to Business and Professions Code Section 10148, the cost of the
9 original audit which led to this disciplinary action. The amount of said cost paid in full by
10 Respondents was \$5,710.62.

11 9. Respondents have received, read, and understand the "Notice Concerning Costs of
12 Subsequent Audit." Respondents further understand that by agreeing to this Stipulation, the
13 findings set forth below in the Determination of Issues become final, and the Commissioner may
14 charge Respondents for the cost of any subsequent audit conducted pursuant to Business and
15 Professions Code Section 10148 to determine if the violations have been corrected. The
16 maximum cost of the subsequent audit shall not exceed 125% of cost of the original audit, or
17 \$7,138.28.

18 10. Respondents understand that by agreeing to this Stipulation, Respondents agree to
19 pay, pursuant to Business and Professions Code Section 10106, the cost of the investigation and
20 enforcement of this matter. The amount of said cost is \$684.35.

21 DETERMINATION OF ISSUES

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

25 I.

26 The conduct, acts, and/or omissions of Respondent DLT as described in the Accusation,
27 constitute cause for the suspension or revocation of all real estate licenses and license rights of
28 Respondent DLT under California Business and Professions Code ("Code") Sections 10145,

1 10177(d), and 10177(g), and Title 10, Chapter 6, California Code of Regulations ("Regulations")
2 Sections 2831, 2831.1, and 2832.1.

3 II.

4 The conduct, acts, and/or omissions of Respondent NAUDIN, as described in the
5 Accusation, constitute cause for the suspension or revocation of all real estate licenses and license
6 rights of Respondent NAUDIN under Code Sections 10159.2, 10177(d), and 10177(g).

7 ORDER

8 I.

9 All licenses and licensing rights of Respondent DLT under the Real Estate Law are
10 suspended for a period of sixty (60) days from the effective date of this Decision and Order;
11 provided, however, that:

12 1. Thirty (30) days of said suspension shall be stayed upon the condition that
13 Respondent DLT petitions pursuant to Code Section 10175.2 and pays a monetary penalty
14 pursuant to Code Section 10175.2 at a rate of one hundred dollars (\$100.00) for each day of the
15 suspension for a total monetary penalty of \$3,000 (\$100.00 per day X thirty (30) days = \$3,000),
16 and upon the following terms and conditions:

17 a. Said payment shall be in the form of a cashier's check made payable to the
18 Department of Real Estate. Said check must be delivered to the Department of Real
19 Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the
20 effective date of this Decision and Order. **Payment of said monetary penalty should not**
21 **be made until the Stipulation has been approved by the Commissioner.**

22 b. No further cause for disciplinary action against the Real Estate license(s) of
23 Respondent DLT occurs within two (2) years from the effective date of the Decision and
24 Order in this matter.

25 c. If Respondent DLT fails to pay the monetary penalty in accordance with the
26 terms and conditions of this Decision and Order, the suspension shall go into effect
27 automatically. Respondent DLT shall not be entitled to any repayment nor credit, prorated
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1 or otherwise, for money paid to the Department under the terms of this Decision and
2 Order.

3 d. If Respondent DLT pays the monetary penalty under this Stipulation and
4 Agreement and if no further cause for disciplinary action against the Real Estate license(s)
5 of Respondent DLT occurs within two (2) years from the effective date of this Decision
6 and Order, the entire stay hereby granted pursuant to this Decision and Order, shall become
7 permanent.

8 2. The remaining thirty (30) days of said suspension shall be stayed for two (2) years
9 upon the following terms and conditions:

10 a. Respondent DLT shall obey all laws, rules and regulations governing the
11 rights, duties and responsibilities of a real estate licensee in the State of California;

12 b. Respondent DLT shall pay the cost of the follow-up audit, not to exceed
13 125% of cost of current audit, or \$7,138.28; and,

14 c. That no final subsequent determination be made, after hearing or upon
15 stipulation, that cause of disciplinary action occurred within two (2) years from the
16 effective date of this Decision and Order. Should such a determination be made, the
17 Commissioner may, in his discretion, vacate and set aside the stay order and reimpose all
18 or a portion of the stayed suspension. Should no such determination be made, the stay
19 imposed herein shall become permanent.

20 3. Respondent DLT shall pay, severally or jointly with Respondent NAUDIN, the
21 sum of \$684.35 for the Commissioner's reasonable cost of the investigation and enforcement
22 which led to this disciplinary action **within one-hundred and eighty (180) days from the**
23 **effective date of this Decision and Order.** Said payment shall be in the form of a cashier's check
24 made payable to the Department of Real Estate. **The investigative and enforcement costs must**
25 **be delivered to the Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento,**
26 **CA 95813-7013. Payment of investigation and enforcement costs should not be made until**
27 **the Stipulation has been approved by the Commissioner.** If Respondents fail to satisfy this
28 condition in a timely manner as provided for herein, Respondents' real estate licenses shall

1 automatically be suspended until payment is made in full, or until a decision providing otherwise
2 is adopted following a hearing held pursuant to this condition.

3 4. Respondents understand that by agreeing to this Stipulation, the findings set forth
4 below in the Determination of Issues become final, and the Commissioner may charge
5 Respondents for the cost of any subsequent audit, if a subsequent audit is conducted, pursuant to
6 Code section 10148 to determine if the violations have been corrected and that Respondents are in
7 compliance with trust fund handling requirements of the Real Estate Law. The maximum cost of
8 the follow-up audit will not exceed one-hundred twenty-five percent (125%) of the cost of the
9 original audit; in the instant case, the cost of the original audit is \$5,710.62 and the maximum cost
10 of the follow-up audit will not exceed \$7,138.28. Therefore, Respondents may be charged a
11 maximum of \$7,138.28 in the event of a subsequent audit.

12 5. Pursuant to Section 10148 of the Code, Respondents shall pay the Commissioner's
13 reasonable cost, not to exceed \$7,138.28, for any subsequent audit, if one is performed, to
14 determine if Respondents have corrected the violations found in the Determination of Issues and
15 that Respondents are in compliance with trust fund handling requirements of the Real Estate Law.
16 In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the
17 estimated average hourly salary for all persons performing audits of real estate brokers, and shall
18 include an allocation for travel time to and from the auditor's place of work. Respondents shall
19 pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner.

20 **Payment of the audit costs should not be made until Respondents receive the invoice.** If
21 Respondents fail to satisfy this condition in a timely manner as provided for herein, Respondents'
22 real estate licenses shall automatically be suspended until payment is made in full, or until a
23 decision providing otherwise is adopted following a hearing held pursuant to this condition.

24 II.

25 All licenses and licensing rights of Respondent NAUDIN under the Real Estate Law are
26 suspended for a period of sixty (60) days from the effective date of this Decision and Order;
27 provided, however, that:

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1 1. Thirty (30) days of said suspension shall be stayed upon the condition that
2 Respondent NAUDIN petitions pursuant to Code Section 10175.2 and pays a monetary penalty
3 pursuant to Code Section 10175.2 at a rate of one hundred dollars (\$100.00) for each day of the
4 suspension for a total monetary penalty of \$3,000 (\$100.00 per day X thirty (30) days = \$3,000),
5 and upon the following terms and conditions:

6 a. Said payment shall be in the form of a cashier's check made payable to the
7 Department of Real Estate. Said check must be delivered to the Department of Real
8 Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the
9 effective date of this Decision and Order. **Payment of said monetary penalty should not**
10 **be made until the Stipulation has been approved by the Commissioner.**

11 b. No further cause for disciplinary action against the Real Estate license(s) of
12 Respondent NAUDIN occurs within two (2) years from the effective date of the Decision
13 and Order in this matter.

14 c. If Respondent NAUDIN fails to pay the monetary penalty in accordance
15 with the terms and conditions of this Decision and Order, the suspension shall go into
16 effect automatically. Respondent NAUDIN shall not be entitled to any repayment nor
17 credit, prorated or otherwise, for money paid to the Department under the terms of this
18 Decision and Order.

19 d. If Respondent NAUDIN pays the monetary penalty under this Stipulation
20 and Agreement and if no further cause for disciplinary action against the Real Estate
21 license(s) of Respondent NAUDIN occurs within two (2) years from the effective date of
22 this Decision and Order, the entire stay hereby granted pursuant to this Decision and
23 Order, shall become permanent.

24 2. The remaining thirty (30) days of said suspension shall be stayed for two (2) years
25 upon the following terms and conditions:

26 a. Respondent NAUDIN shall obey all laws, rules and regulations governing
27 the rights, duties and responsibilities of a real estate licensee in the State of California; and,
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1 b. That no final subsequent determination be made, after hearing or upon
2 stipulation, that cause of disciplinary action occurred within two (2) years from the
3 effective date of this Decision and Order. Should such a determination be made, the
4 Commissioner may, in his discretion, vacate and set aside the stay order and reimpose all
5 or a portion of the stayed suspension. Should no such determination be made, the stay
6 imposed herein shall become permanent.

7 3. Respondent NAUDIN shall pay, severally or jointly with Respondent DLT, the
8 sum of \$684.35 for the Commissioner's reasonable cost of the investigation and enforcement
9 which led to this disciplinary action **within one-hundred and eighty (180) days from the**
10 **effective date of this Decision and Order.** Said payment shall be in the form of a cashier's check
11 made payable to the Department of Real Estate. **The investigative and enforcement costs must**
12 **be delivered to the Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento,**
13 **CA 95813-7013. Payment of investigation and enforcement costs should not be made until**
14 **the Stipulation has been approved by the Commissioner.** If Respondents fail to satisfy this
15 condition in a timely manner as provided for herein, Respondents' real estate licenses shall
16 automatically be suspended until payment is made in full, or until a decision providing otherwise
17 is adopted following a hearing held pursuant to this condition.

18 4. Respondents understand that by agreeing to this Stipulation, the findings set forth
19 below in the Determination of Issues become final, and the Commissioner may charge
20 Respondents for the cost of any subsequent audit, if a subsequent audit is conducted, pursuant to
21 Code section 10148 to determine if the violations have been corrected and that Respondents are in
22 compliance with trust fund handling requirements of the Real Estate Law. The maximum cost of
23 the follow-up audit will not exceed one-hundred twenty-five percent (125%) of the cost of the
24 original audit; in the instant case, the cost of the original audit is \$5,710.62 and the maximum cost
25 of the follow-up audit will not exceed \$7,138.28. Therefore, Respondents may be charged a
26 maximum of \$7,138.28 in the event of a subsequent audit.

27 5. Pursuant to Section 10148 of the Code, Respondents shall pay the Commissioner's
28 reasonable cost, not to exceed \$7,138.28, for any subsequent audit, if one is performed, to

1 determine if Respondents have corrected the violations found in the Determination of Issues and
2 that Respondents are in compliance with trust fund handling requirements of the Real Estate Law.
3 In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the
4 estimated average hourly salary for all persons performing audits of real estate brokers, and shall
5 include an allocation for travel time to and from the auditor's place of work. Respondents shall
6 pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner.

7 **Payment of the audit costs should not be made until Respondents receive the invoice.** If
8 Respondents fail to satisfy this condition in a timely manner as provided for herein, Respondents'
9 real estate licenses shall automatically be suspended until payment is made in full, or until a
10 decision providing otherwise is adopted following a hearing held pursuant to this condition.

11
12 DATED: 1/19/2021



13 Laurence D. Haveson
14 Counsel for Complainant

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16 **EXECUTION OF THE STIPULATION**

17 We have read this Stipulation and its terms are understood by us and are agreeable and
18 acceptable to us. We understand that we are waiving rights given to us by the California APA
19 (including, but not limited to, sections 11506, 11508, 11509, and 11513 of the Government Code),
20 and we willingly, intelligently, and voluntarily waive those rights, including the right of requiring
21 the Commissioner to prove the allegations in the Accusation at a hearing at which we would have
22 the right to cross-examine witnesses against us and to present evidence in defense and mitigation
23 of the charges.

24 Respondents can signify acceptance and approval of the terms and conditions of this
25 Stipulation and Agreement by electronically e-mailing a copy of the signature pages, as actually
26 signed by Respondents, to the Department. Respondents agree, acknowledge, and understand that
27 by electronically sending to the Department an electronic copy of Respondents' actual signatures,
28 as they appear on the Stipulation, that receipt of the emailed copy by the Department shall be as

1 binding on Respondents as if the Department had received the original signed Stipulation. By
2 signing this Stipulation, Respondents understand and agree that Respondents may not withdraw
3 their agreement or seek to rescind the Stipulation prior to the time the Commissioner considers
4 and acts upon it or prior to the effective date of the Stipulation and Order.

5 MAILING

6 Respondents and their counsel shall, within five (5) business days from signing the
7 Stipulation, mail the original signed signature page(s) of the Stipulation herein to Laurence
8 Haveson, Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Room 350,
9 Los Angeles, California 90013-1105.

10 Respondents' signatures below constitute acceptance and approval of the terms and
11 conditions of this Stipulation. Respondents agree, acknowledge, and understand that by signing
12 this Stipulation Respondents are bound by its terms as of the date of such signature and that this
13 agreement is not subject to rescission or amendment at a later date except by a separate Decision
14 and Order of the Real Estate Commissioner.

15
16 DATED: 1-18-21

Kristina Delatorre
Respondent DLT LEGENDS REALTY, INC.

17
18 By (Printed Name): Kristina Delatorre

19 Title: Chief Financial Officer/Secretary

20
21 DATED: 1-18-21

Michael Robert Naudin
Respondent MICHAEL ROBERT NAUDIN

22
23
24 DATED: 1-19-21

Frank M. Buda

25 Frank M. Buda
26 Attorney for Respondents
27 Approved as to Form
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The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by me as my Decision in this matter and shall become effective at 12 o'clock noon on April 12th, 2021.

IT IS SO ORDERED 3.1.21, 2021.

DOUGLAS R. McCAULEY
REAL ESTATE COMMISSIONER

