

1 DEPARTMENT OF REAL ESTATE  
2 320 West 4th Street, Suite 350  
3 Los Angeles, California 90013-1105  
4 Telephone: (213) 620-2072

**FILED**

OCT - 7 2020

DEPT. OF REAL ESTATE  
By [Signature]

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \* \*

11 In the Matter of the Accusation against

12 JAMES W. NARDI, doing business as  
13 GRAPEVINE PROPERTIES and GRAPEVINE  
14 PROPERTY MANAGEMENT, and  
15 SCOTT H. PARROTT,

Respondents.

DRE No. H-41639 LA  
OAH No. 2020070333

**STIPULATION AND  
AGREEMENT IN SETTLEMENT  
AND ORDER**

16 It is hereby stipulated by and between Respondents JAMES W. NARDI and SCOTT H.  
17 PARROTT (collectively "Respondents"), and the Complainant, acting by and through Lissete  
18 Garcia, Counsel for the Department of Real Estate ("Department"), as follows for the purpose of  
19 settling and disposing the Accusation filed on March 17, 2020, with Department Case No.  
20 H-41639 LA ("Accusation") in this matter:

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

Stipulation and Agreement  
H-41639 LA

1 Agreement in Settlement and Order ("Stipulation").

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

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

13 4. This Stipulation is based on the factual allegations contained in the Accusation filed in  
14 this proceeding. In the interest of expedience and economy, Respondents choose not to contest  
15 these factual allegations, but to remain silent and understand that, as a result thereof, these  
16 factual statements, will serve as a prima facie basis for the disciplinary action stipulated to  
17 herein. The Real Estate Commissioner shall not be required to provide further evidence to prove  
18 such allegations.

19 5. This Stipulation and Respondents' decision not to contest the Accusation are made for  
20 the purpose of reaching an agreed disposition of this proceeding and are expressly limited to this  
21 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

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

7 7. The Order or any subsequent Order of the Real Estate Commissioner made pursuant to  
8 this Stipulation and Agreement shall not constitute an estoppel, merger or bar to any further  
9 administrative or civil proceedings by the Department of Real Estate with respect to any matters  
10 which were not specifically alleged to be causes for accusation in this proceeding.

11 8. Respondents understand that by agreeing to this Stipulation, Respondents agree to  
12 pay, pursuant to California Business and Professions Code ("Code"), section 10106(a), the  
13 investigative and enforcement costs of \$3,818.80 which led to this disciplinary action.

14 9. Respondents understand that by agreeing to this Stipulation, Respondents agree to  
15 pay, pursuant to section 10148 of the Code, the cost of the audit which resulted in the  
16 determination that Respondent committed the violations found in the "Determination of Issues"  
17 below. The audit cost is \$8,937.30.

18 10. Respondents further understand that by agreeing to this Stipulation, the findings set  
19 forth below in the Determination of Issues become final, and the Commissioner may charge  
20 Respondents for the cost of any subsequent audit conducted pursuant to Code section 10148 to  
21 determine if the violations have been corrected. The maximum cost of the follow-up audit will  
22 not exceed one-hundred twenty-five percent (125%) of the cost of the original audit; in the  
23 instant case, the cost of the original audit is \$8,937.30, and the maximum cost of the follow-up  
24 audit will not exceed \$11,171.63. Therefore, Respondents may be charged a maximum of

1 \$11,171.63 in the event of a subsequent audit.

2 DETERMINATION OF ISSUES

3 By reason of the foregoing stipulation and agreement and solely for the purpose of  
4 settlement of the pending Accusation without a hearing, it is stipulated and agreed that the  
5 following determination of issues shall be made:

6 I.

7 The conduct, acts and/or omissions of Respondent JAMES W. NARDI as set forth herein  
8 above in Paragraph 4, constitute cause for the suspension or revocation of all real estate licenses,  
9 mortgage loan originator license endorsements, and license rights of Respondent JAMES W.  
10 NARDI pursuant to the provisions of Code sections 10176(i), 10177(d), 10177(g), 10166.051(a),  
11 10166.051(b), and 10166.05(c), for violation of Code section 10145 and Regulations of the Real  
12 Estate Commissioner, Title 10, Chapter 6, California Code of Regulations ("Regulations")  
13 2832.1, 2831, 2831.1, 2831.2, 2832, and 2725.

14 II.

15 The conduct, acts and/or omissions of Respondent SCOTT H. PARROTT as set forth  
16 herein above in Paragraph 4, constitute cause for the suspension or revocation of all real estate  
17 licenses and license rights of Respondent SCOTT H. PARROTT for violation of Code section  
18 10177(g).

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

1 ORDER

2 I.

3 All licenses and licensing rights of Respondent JAMES W. NARDI ("NARDI") under  
4 the Real Estate Law are suspended for a period of 90 days from the effective date of this  
5 Decision and Order; provided, however, that:

- 6 1. Said 90-day suspension shall be stayed for two (2) years upon the following terms  
7 and conditions:
- 8 2. Respondent shall obey all laws, rules and regulations governing the rights, duties  
9 and responsibilities of a real estate licensee in the State of California; and,
- 10 3. That no final subsequent determination be made, after hearing or upon stipulation,  
11 that cause for disciplinary action occurred within two (2) years from the effective  
12 date of this Decision and Order. Should such a determination be made, the  
13 Commissioner may, in his discretion, vacate and set aside the stay order and  
14 reimpose all or a portion of the stayed suspension. Should no such determination  
15 be made, the stay imposed herein shall become permanent.
- 16 4. All licenses and licensing rights of Respondent NARDI are indefinitely suspended  
17 unless or until Respondent provides proof satisfactory to the Commissioner, of  
18 having taken and successfully completed the continuing education course on trust  
19 fund accounting and handling specified in paragraph (3) of subdivision (a) of  
20 Section 10170.5 of the Business and Professions Code. Proof of satisfaction of  
21 this requirement includes evidence that Respondent has successfully completed  
22 the trust fund account and handling continuing education course, no earlier than  
23 120 days prior to the effective date of the Decision and Order in this matter.

24 **Proof of completion of the trust fund accounting and handling course must**

1                   **be delivered to the Department of Real Estate, Flag Section at P.O. Box**  
2                   **137013, Sacramento, CA 95813-7013 or by fax at 916-263-8758, prior to the**  
3                   **effective date of this Decision and Order.**

4           5.       Respondent NARDI shall pay the sum of \$3,055.04 for Respondent NARDI's pro  
5                   rata share of the Commissioner's reasonable cost of the investigation and  
6                   enforcement which led to this disciplinary action. Said payment shall be in the  
7                   form of a cashier's check made payable to the Department of Real Estate. **The**  
8                   **investigative and enforcement costs must be delivered to the Department of**  
9                   **Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013,**  
10                  **within 180 days of the effective date. Payment of investigation and**  
11                  **enforcement costs should not be made until the Stipulation has been**  
12                  **approved by the Commissioner.** If Respondent fails to satisfy this condition in  
13                  a timely manner as provided for herein, Respondent's real estate licenses and  
14                  mortgage loan originator license endorsement shall automatically be suspended  
15                  until payment is made in full, or until a decision providing otherwise is adopted  
16                  following a hearing held pursuant to this condition.

17           6.       Pursuant to Section 10148 of the Code, Respondent. NARDI shall pay the sum of  
18                   8,937.30 for the Commissioner's cost of the audit which led to this disciplinary  
19                   action. **Respondents shall pay such cost within sixty (60) days of receiving an**  
20                   **invoice therefore from the Commissioner. Payment of audit costs should not**  
21                   **be made until Respondent receives the invoice.** If Respondent fails to satisfy  
22                   this condition in a timely manner as provided for herein, Respondent's real estate  
23                   licenses and mortgage loan originator license endorsement shall automatically be  
24

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

3 7. Pursuant to Section 10148 of the Code, Respondent NARDI shall pay the  
4 Commissioner's reasonable costs for any subsequent audit (said costs may not to  
5 exceed a maximum of \$11,171.63) to determine if Respondent has corrected the  
6 violations found in the Determination of Issues. In calculating the amount of the  
7 Commissioner's reasonable cost, the Commissioner may use the estimated  
8 average hourly salary for all persons performing audits of real estate brokers, and  
9 shall include an allocation for travel time to and from the auditor's place of work.  
10 **Respondent shall pay such cost within sixty (60) days of receiving an invoice**  
11 **therefore from the Commissioner. Payment of the audit costs should not be**  
12 **made until Respondent receives the invoice.** If Respondent fails to satisfy this  
13 condition in a timely manner as provided for herein, Respondent's real estate  
14 license and mortgage loan originator license endorsement shall automatically be  
15 suspended until payment is made in full, or until a decision providing otherwise is  
16 adopted following a hearing held pursuant to this condition.

17 II.

18 All licenses and licensing rights of Respondent SCOTT H. PARROTT ("PARROTT")  
19 under the Real Estate Law are suspended for a period of 30 days from the effective date of this  
20 Decision and Order; provided, however, that:

- 21 1. Said 30-day suspension shall be stayed for two (2) years upon the following terms  
22 and conditions:
- 23 2. Respondent shall obey all laws, rules and regulations governing the rights, duties  
24 and responsibilities of a real estate licensee in the State of California; and,

1           3.     That no final subsequent determination be made, after hearing or upon stipulation,  
2           that cause for disciplinary action occurred within two (2) years from the effective  
3           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  
5           reimpose all or a portion of the stayed suspension. Should no such determination  
6           be made, the stay imposed herein shall become permanent.

7           4.     All licenses and licensing rights of Respondent PARROTT are indefinitely  
8           suspended unless or until Respondent provides proof satisfactory to the  
9           Commissioner, of having taken and successfully completed the continuing  
10          education course on trust fund accounting and handling specified in paragraph (3)  
11          of subdivision (a) of Section 10170.5 of the Business and Professions Code.  
12          Proof of satisfaction of this requirement includes evidence that Respondent has  
13          successfully completed the trust fund account and handling continuing education  
14          course, no earlier than 120 days prior to the effective date of the Decision and  
15          Order in this matter. **Proof of completion of the trust fund accounting and**  
16          **handling course must be delivered to the Department of Real Estate, Flag**  
17          **Section at P.O. Box 137013, Sacramento, CA 95813-7013 or by fax at 916-**  
18          **263-8758, prior to the effective date of this Decision and Order.**


19          5.     Respondent PARROTT shall pay the sum of \$763.76 for PARROTT's pro rata  
20          share of the Commissioner's reasonable cost of the investigation and enforcement  
21          which led to this disciplinary action. Said payment shall be in the form of a  
22          cashier's check made payable to the Department of Real Estate. **The investigative**  
23          **and enforcement costs must be delivered to the Department of Real Estate,**  
24          **Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, within 180**



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

**days of the effective date. Payment of investigation and enforcement costs should not be made until the Stipulation has been approved by the Commissioner.** If Respondent PARROTT fails to satisfy this condition in a timely manner as provided for herein, Respondent PARROTT's real estate licenses shall automatically be suspended until payment is made in full, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

DATED: August 11, 2020

  
\_\_\_\_\_  
Lissete Garcia, Counsel  
Department of Real Estate

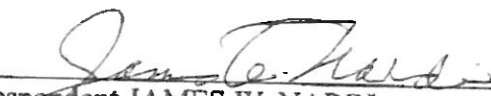
\* \* \*

We have read this Stipulation and its terms are understood by us and are agreeable and acceptable to us. We understand that we are waiving rights given to us by the California APA (including, but not limited to, Sections 11506, 11508, 11509, and 11513 of the Government Code), and we 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 we would have the right to cross-examine witnesses against us and to present evidence in defense and mitigation of the charges.

Respondents can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by electronically e-mailing a copy of the signature page, as actually signed by Respondents, to the Department. Respondents agree, acknowledge, and understand that by electronically sending to the Department an electronic copy of Respondents' actual signatures, as they appear on the Stipulation, that receipt of the emailed copy by the Department shall be as binding on Respondents as if the Department had received the original signed Stipulation. By signing this Stipulation, Respondents understand and agree that Respondents

1 may not withdraw Respondents' agreement or seek to rescind the Stipulation prior to the time the  
2 Commissioner considers and acts upon it or prior to the effective date of the Stipulation and  
3 Order.

4 DATED: Aug 3, 2020

  
Respondent JAMES W. NARDI

6 DATED: 8-3-2020


  
Respondent SCOTT H. PARROTT

8 \* \* \*

9 The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by  
10 me as my Decision in this matter and shall become effective at 12 o'clock noon  
11 on November 6, 2020.

12 IT IS SO ORDERED 9.24.20

14 REAL ESTATE COMMISSIONER

16   
DOUGLAS R. McCAULEY