DEPARTMENT OF REAL ESTATE
P. O. Box 187007
Sacramento, CA 95818-7007

Telephone: (916) 227-0789

FILED
JUN 14 2005
DEPARTMENT OF REAL ESTATE
By

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

To: SOUTHERN CALIFORNIA RENTAL PROPERTIES, INC., SOCAL RENTALS, SO CAL RENTALS WALLACE PATTEE WATKINS, individually and doing business as SOUTHERN CALIFORNIA RENTAL PROPERTIES, RAY RUBALCAVA, and JACK TAYLOR.	NO. H-3216 SD ORDER TO DESIST & REFRAIN (B&P §10086)

The Real Estate Commissioner of the State of California (Commissioner) has determined from the findings herein set forth below that you, SOUTHERN CALIFORNIA RENTAL PROPERTIES, INC., SOCAL RENTALS, SO CAL RENTALS, RAY RUBALCAVA, and JACK TAYLOR have violated Section 10130 and/or Section 10167.2 of the California Business and Professions Code (hereafter the Code) by engaging in the business of a prepaid rental listing service (hereafter PRLS) operator within the State of California without either a real estate broker license or a PRLS license. The Commissioner has also determined from the findings herein set

forth below that you, WALLACE PATTEE WATKINS, individually and doing business as SOUTHERN CALIFORNIA RENTAL PROPERTIES, have violated Section 10159.5 of the Code and Section 2731 of Title 10, California Code of Regulations (Regulations) by engaging in business as SOCAL RENTALS and/or SO CAL RENTALS without a fictitious business name license from the Department; and that you, WALLACE PATTEE WATKINS, have violated 10167.3(b) of the Code by failing to supervise or oversee licensed supervision of a PRLS business. The Commissioner has also determined from the findings herein set forth below that you, SOUTHERN CALIFORNIA RENTAL PROPERTIES, INC., SOCAL RENTALS, SO CAL RENTALS, WALLACE PATTEE WATKINS, individually and doing business as SOUTHERN CALIFORNIA RENTAL PROPERTIES, RAY RUBALCAVA, and JACK TAYLOR have violated Sections 10167.9(a), 10167.9(c), 10167.10(a), 10167.11(a), and/or 10167.11(b) of the Code, by failing to comply with PRLS laws, as set forth more fully below.

PRELIMINARY FINDINGS

I

At no time herein mentioned were you, SOUTHERN CALIFORNIA RENTAL PROPERTIES, INC., SOCAL RENTALS, SO CAL RENTALS, RAY RUBALCAVA, and JACK TAYLOR licensed by the Department of Real Estate of the State of California (hereafter "Department") as a real estate broker, individually or doing business under any fictitious business name, or as a real estate salesperson. At no time herein mentioned were you licensed by the Department to engage in the business of a PRLS operator.

II

At all times herein mentioned, you, WALLACE PATTEE WATKINS (WATKINS), were and are licensed by the Department as a real estate broker, with a main office address of record with the Department at 4528 Cordoba Way, Oceanside, California. On or about January 30, 2004, you obtained a branch office license from the Department to do business at 8199 Clairemont Mesa Blvd., Suite O, San Diego, California. At no time prior to on or about June 2, 2004, were you licensed to do business under any fictitious business name.

III

In or about January of 2004, you, RAY RUBALCAVA (RUBALCAVA), and you, JACK TAYLOR (TAYLOR), were and are owners, officers, directors, and/or shareholders of SOUTHERN CALIFORNIA RENTAL PROPERTIES, INC., and entered into a business arrangement with you, WATKINS, to conduct business as prepaid rental listing service company at 8199 Clairemont Mesa Blvd., Suite O, San Diego California. At no time herein mentioned were you, RUBALCAVA or TAYLOR, licensed by the Department as either a real estate licensee, or as a PRLS provider.

IV

On or about June 2, 2004, you, WATKINS, obtained a license from the Department to do business under the fictitious business name of SOUTHERN CALIFORNIA RENTAL PROPERTIES. At no time herein mentioned, were you licensed by the Department as the designated broker officer of a corporation entitled SOUTHERN CALIFORNIA RENTAL PROPERTIES, INC., or licensed to do business

under a fictitious business name of SO CAL RENTALS or SOCAL RENTALS.

V

Unless otherwise specified, whenever reference is made herein to an act or omission of "you", such reference shall be deemed to mean that you, SOUTHERN CALIFORNIA RENTAL PROPERTIES, INC., SOCAL RENTALS, SO CAL RENTALS, WATKINS, individually and doing business as SOUTHERN CALIFORNIA RENTAL PROPERTIES, RUBALCAVA, and/or TAYLOR, and/or the employees and/or agents employed by or associated with you, committed such act or omission while engaged in the furtherance of your business operation, and while acting within the course and scope of their authority, agency, and/or employment.

FIRST CAUSE OF ACTION
(Unlicensed Business)

VI

During a period of time from about January, 2004, you engaged in the business and acted in the capacity of a real estate broker or PRLS operator in the name of SOUTHERN CALIFORNIA RENTAL PROPERTIES, INC., SO CAL RENTALS, SOCAL RENTALS, and/or SOUTHERN CALIFORNIA RENTAL PROPERTIES in California within the meaning of Section 10167 of the Code, for advance compensation, wherein prospective tenants were solicited to enter into a contract and purchase PRLS services for a flat fee of approximately $75 to $95 for a 90-day contract period, and wherein such services were offered and sold, including but not limited to the following:

CONTRACT DATE	PRLS ADVANCE FEE	CLIENT/TENANT
April 18, 2004	$95	Joseph-Tammy Rudolf
June 2, 2004	$95	Brian-Leslie Vian
January 5, 2005	$75	Wendy McNair
January 20, 2005	$75	Gregory Duncan

VII

During a period of time from about January of 2004, you solicited the public with respect to the above business by methods including advertisements, including but not limited to ads:

(1) On the Internet, with domain name addresses of www.SOUTHERNCALIFORNIARENTALPROPERTIES.COM, and/or www.SOCALRENTALS.NET., and

(2) In the San Diego Union-Tribune, a newspaper of general circulation, and on its classified web site on the Internet at http://classsifieds.signonsandiego.com.

VIII

As to the above alleged conduct from about January of 2004 to the present, you, SOUTHERN CALIFORNIA RENTAL PROPERTIES, INC., SOCAL RENTALS, SO CAL RENTALS, RUBALCAVA, and TAYLOR have violated Section 10167.2 and/or Section 10130 of the Code in that your acts and/or omissions, as found above, constitute the conduct of a PRLS business without either a real estate broker license or a PRLS license.

IX

As to the above alleged conduct from about January of 2004 to on or about June 2, 2004, you, WATKINS, have violated Section 10159.5 of the Code and Section 2731 of the Regulations, in that your acts and/or omissions, as found above, constitute the conduct of a PRLS business in the name of SOUTHERN CALIFORNIA RENTAL PROPERTIES, without a duly issued fictitious business name license from the Department.

X

As to your above alleged conduct from about January of 2004, to the present, you, WATKINS, have violated Section 10159.5 of the Code and Section 2731 of the Regulations, in that your acts and/or omissions, as found above, constitute the conduct of a PRLS business in the name of SOCAL RENTALS and/or SO CAL RENTALS without a duly issued fictitious business name license from the Department.

SECOND CAUSE OF ACTION
(PRLS Violations)

XI

On or about June 3, 2004, the Department approved a specific written PRLS contract form for you, WATKINS, doing business as SOUTHERN CALIFORNIA RENTAL PROPERTIES, pursuant to Sections 10167.9 and 10167.10 of the Code, and subject to specified conditions set forth in an accompanying Department letter and Addendum of June 3, 2004, including but not limited to the following:

///

(a) That all applicable licensing requirements would be met by you before the approved contract would be negotiated with the public;

(b) That your use of the contract would be in accordance with all applicable provisions of the Real Estate Law;

(c) That no refund request form would be used by you which contains requirements or representations contrary to applicable provisions of the Real Estate Law; and

(d) That there were no other hard-copy or Internet versions or variations of any PRLS contracts for the company to do business with the public that were not disclosed to the Department.

XII

The approved contract form described in Paragraph XI above contains the statutory advisement of refund rights required by Section 10167.10 of the Code, including but not limited to the following:

(a) The client's right to a refund of the full amount of the fee paid by the client within five days after payment of the fee if you have not supplied to the client at least three available rental properties meeting the client's specifications; and

(b) The client's right to a refund of the net amount of the fee paid by the client in excess

of a $50 service charge within ten days after receipt by you of the client's demand for refund in specified circumstances.

XIII

On or about April 18, 2004, Joseph and Tammy Rudolf went to your office in San Diego and entered into a written contract for PRLS services with you, in consideration of the sum of $95 paid by them. In connection with this transaction, you used a written contract form that was not approved by the Department, contained provisions contrary to applicable provisions of the Real Estate Law, including unlawful refund provisions, had not been submitted to the Department for approval at any time prior to its use; and was not disclosed to the Department.

XIV

You failed to provide the Rudolfs with listings of at least three available rental properties meeting the clients' specifications within five days of the date of the contract; and you failed to provide the Rudolfs with a full refund that is required under Section 10167.10(a) of the Code.

XV

On or about June 2, 2004, Brian and Leslie Vian went to your office in San Diego and entered into a written contract for PRLS services with you, in consideration of the sum of $95 paid by them. In connection with this transaction, you used a written contract form that was not approved by the Department, contained provisions contrary to applicable provisions of the Real Estate Law, including unlawful refund provisions, had not been submitted

to the Department for approval at any time prior to its use; and was not disclosed to the Department.

XVI

You failed to provide the Vians with listings of at least three available rental properties meeting the clients' specifications within five days of the date of the contract; and you failed to provide the Vians with a full refund that is required under Section 10167.10(a) of the Code.

XVII

On or about January 5, 2005, Wendy McNair went to your office in San Diego and entered into a written contract for PRLS services with you, in consideration of the sum of $75 paid by her. In connection with this transaction, you failed to provide McNair with listings of at least three available rental properties meeting the client's specifications within five days of the date of the contract; and you failed to provide McNair with a full refund that is required under Section 10167.10(a) of the Code.

XVIII

On or about January 20, 2005, Gregory Duncan went to your office in San Diego and entered into a written contract for PRLS services with you, in consideration of the sum of $75 paid by him. In connection with this transaction, you failed to provide Duncan with listings of at least three available rental properties meeting the client's specifications within five days of the date of the contract; and you failed to provide Duncan with a full refund that is required under Section 10167.10(a) of the Code.

XIX

Since about January of 2004, you have posted in your PRLS listings, advertised to the public, and supplied prospective tenants, for an advance fee, with listings of residential property without the written or oral permission of the property owner, property manager, or other authorized agent, in violation of Section 10167.11(4) of the Code, including but not limited to:

(a) Residential property located at 4817 Barstow Street, San Diego, California; and

(b) Property owned by the State of California Department of Transportation.

XX

Since about January of 2004, you have posted in your PRLS listings, advertised to the public, and supplied prospective tenants, for an advance fee, with listings of residential property that you knew or should have known were unavailable for rental, in violation of Section 10167.11(1) of the Code, including but not limited to:

(a) Residential property located at 4817 Barstow Street, San Diego, California.

XXI

Since about January of 2004, you posted in your PRLS Listings, advertised, and supplied prospective tenants, for an advance fee, with listings of residential property when you failed to confirm the availability of the property for tenancy during any four-day period immediately preceding dissemination of

the listing information, in violation of Section 10167.11(3) of the Code, including but limited to:

(a) Residential property located at 4817 Barstow Street, San Diego, California.

XXII

Since about January of 2004 to the present, you have expressly or impliedly made false, misleading, and/or deceptive advertisements and/or representations to various prospective tenants concerning the services you would provide to them, including but not limited to the failure to disclose: (1) that you were not properly licensed; (2) that your PRLS contract had not been approved by the Department prior to June 3, 2004; (3) that your contract contained unlawful refund language prior to June 3, 2004; (4) that you did not obtain written or oral permission from property owners or managers to list many properties; (5) that you did not check availability of properties within the requisite days of their dissemination to prospective tenants; and/or (6) that you did not make full refunds of the PRLS advance fees charged even though the approved contract after June 3, 2004, so provided.

XXIII

Since about January of 2004, you have posted various written PRLS contract forms on the Internet at www.socalrentals.net, and at www.southerncaliforniarentalproperties.com, that were not disclosed to the Department, that were not approved by the Department, and that did not contain information required under the PRLS laws prior to acceptance of a fee, varying in particular

versions of the Internet contracts, including but not limited to: (1) the name of the licensee and the address and telephone number of the principal PRLS office; (2) acknowledgment of receipt of the fee, including the amount; (3) a description of the service to be performed by the licensee, including significant conditions, restrictions, and limitations where applicable; (4) the contract expiration date; and/or (5) the statutory full and partial right to refund clauses.

XXIV

By reason of the acts and/or omissions alleged in Paragraphs XI through XXIII above, you have violated Sections 10167.9(a), 10167.9(c), 10167.10(a), 10167.11(a), and/or 10167.11(b) of the Code.

THIRD CAUSE OF ACTION
(Failure to Supervise)

XXV

By reason of the acts and/or omissions found in the Preliminary Findings, and in the First and Second Causes of Action above, you, WATKINS, failed to conduct business as a PRLS operator at your licensed branch office in San Diego under your immediate supervision.

XXVI

By reason of the acts and/or omissions found in the Preliminary Findings, and in the First and Second Causes of Action above, you, WATKINS, failed to conduct business as a PRLS operator at your licensed branch office in San Diego under the supervision of a real estate salesperson licensed to, and acting on your behalf as the broker.

XXVII

The acts and/or omissions alleged in Paragraphs XXVI and XXVII above, jointly and severally, violate Section 10167.3(b) of the Code.

NOW, THEREFORE, YOU, SOUTHERN CALIFORNIA RENTAL PROPERTIES, INC., SOCAL RENTALS, SO CAL RENTALS, RAY RUBALCAVA, and JACK TAYLOR, YOUR OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS, AND/OR ASSIGNS, ARE HEREBY ORDERED TO DESIST AND REFRAIN from performing any and all acts for which a real estate license or a prepaid rental listing service license is required unless and until such time as you may obtain the required license from the Department.

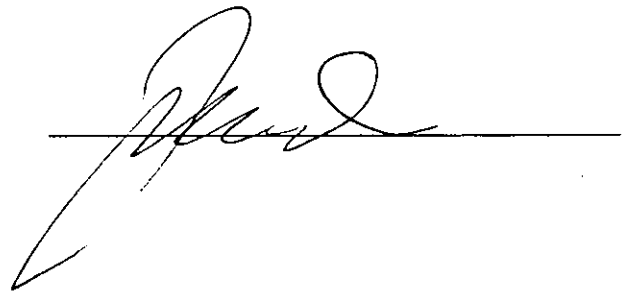
NOW, THEREFORE, YOU, WALLACE PATTEE WATKINS, individually and doing business as SOUTHERN CALIFORNIA RENTAL PROPERTIES, ARE HEREBY ORDERED TO DESIST AND REFRAIN from doing business under the fictitious business name(s) of SOCAL RENTALS and/or SO CAL RENTALS, unless and until such time as you may obtain the required fictitious business name license from the Department; and until such time as you are in compliance with requisite supervision laws as set forth above.

AND NOW, THEREFORE, YOU, SOUTHERN CALIFORNIA RENTAL PROPERTIES, INC., SOCAL RENTALS, SO CAL RENTALS, WALLACE PATTEE WATKINS, individually and doing business as SOUTHERN CALIFORNIA RENTAL PROPERTIES, RAY RUBALCAVA, and JACK TAYLOR ARE HEREBY FURTHER ORDERED TO DESIST AND REFRAIN from engaging in the acts and/or omissions in violation of Sections 10167.9(a), 10167.9(c), 10167.10(a), 10167.11(a), and/or 10167.11(b) of the Code as set

forth above unless and until such time as you are in compliance with the law with respect to said items.

DATED: 5 31, 2005.

JEFF DAVI
Real Estate Commissioner



cc: SOUTHERN CALIFORNIA
RENTAL PROPERTIES, INC.
SOCAL RENTALS/SO CAL RENTALS
Attn: Ray Rubalcava
8199 Clairemont Mesa Blvd,
Suite O
San Diego, CA 92111

WALLACE PATTEE WATKINS
Individualy and dba
SOUTHERN CALIFORNIA
RENTAL PROPERTIES
4528 Cordoba Way
Oceanside, CA 92056

RAY RUBALCAVA
8199 Clairemont Mesa Blvd,
Suite O
San Diego, CA 92111

JACK TAYLOR
8199 Clairemont Mesa Blvd,
Suite O
San Diego, CA 92111

ATTY/DLJ