

1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 187007
3 Sacramento, CA 95818-7007
4
5 Telephone: (916) 227-0789
6
7

FILED

SEP 26 2007

DEPARTMENT OF REAL ESTATE

By *L. Hest*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 STONE REAL ESTATE, INC.,) NO. H-1878 FR
13 CRAIG CARTER LEWIS,) STIPULATION AND AGREEMENT
14 and ANDRA DEE SILL,)
15 Respondents.)

16 It is hereby stipulated by and between Respondents
17 STONE REAL ESTATE, INC., a corporation, CRAIG CARTER LEWIS, and
18 ANDRA DEE SILL (hereinafter "Respondents"), acting in pro per,
19 and the Complainant, acting by and through Michael B. Rich,
20 Counsel for the Department of Real Estate, as follows for the
21 purpose of settling and disposing of the Accusation filed on
22 January 27, 2006, in this matter (hereinafter "the
23 Accusation"):

24 1. All issues which were to be contested and all
25 evidence which was to be presented by Complainant and
26 Respondents at a formal hearing on the Accusation, which
27 hearing was to be held in accordance with the provisions of the

H-1878 FR

STONE REAL ESTATE, INC., CRAIG
C. LEWIS, and ANDRA D. SILL

1 Administrative Procedure Act (APA), shall instead and in place
2 thereof be submitted solely on the basis of the provisions of
3 this Stipulation and Agreement.

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

8 3. On February 7, 2006, Respondents filed a Notice of
9 Defense pursuant to Section 11505 of the Government Code for
10 the purpose of requesting a hearing on the allegations in the
11 Accusation. Respondents hereby freely and voluntarily withdraw
12 said Notice of Defense. Respondents acknowledge that
13 Respondents understand that by withdrawing said Notice of
14 Defense Respondents will thereby waive Respondents' right to
15 require the Commissioner to prove the allegations in the
16 Accusation at a contested hearing held in accordance with the
17 provisions of the APA and that Respondents will waive other
18 rights afforded to Respondents in connection with the hearing
19 such as the right to present evidence in defense of the
20 allegations in the Accusation and the right to cross-examine
21 witnesses.

22 4. Respondents, pursuant to the limitations set forth
23 below, hereby admit that the factual allegations in the
24 Accusation pertaining to Respondents are true and correct and
25 stipulates and agrees that the Real Estate Commissioner shall
26 not be required to provide further evidence of such
27 allegations.

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

12 6. This Stipulation and Agreement shall not
13 constitute an estoppel, merger or bar to any further
14 administrative or civil proceedings by the Department of Real
15 Estate with respect to any matters which were not specifically
16 alleged to be causes for accusation in this proceeding.

17 DETERMINATION OF ISSUES

18 By reason of the foregoing stipulations, admissions
19 and waivers and solely for the purpose of settlement of the
20 pending Accusation without hearing, it is stipulated and agreed
21 that the following Determination of Issues shall be made:

22 I

23 The acts and omissions of Respondent STONE REAL
24 ESTATE, INC., and Respondent ANDRA DEE SILL described in the
25 First Cause of Action of the Accusation are grounds for the
26 suspension or revocation of the licenses and license rights of
27 Respondent under the provisions of Section 10176(a), Section

1 10176(i), and Section 10177(g) of the Business and Professions
2 Code (hereinafter "the Code").

3 II

4 The acts and omissions of Respondent CRAIG CARTER
5 LEWIS, described in the Second Cause of Action of the Accusation
6 are grounds for the suspension or revocation of the licenses and
7 license rights of Respondent under Section 10159.2 of the Code
8 in conjunction with Section 10177(d) of the Code and Section
9 10177(h) of the Code.

10 ORDER

11 I

12 A. All licenses and licensing rights of Respondent
13 STONE REAL ESTATE, INC., under the Real Estate Law are suspended
14 for a period of sixty (60) days from the effective date of the
15 Decision herein; provided, however:

16 1. If Respondent STONE REAL ESTATE, INC., petitions,
17 sixty (60) days of the sixty (60) day suspension shall be stayed
18 upon the condition that:

19 (a) Respondent STONE REAL ESTATE, INC., pays a
20 monetary penalty pursuant to Section 10175.2 of the Code of
21 \$6,000.00.

22 (b) Said payment shall be in the form of a cashier's
23 check or certified check made payable to the Recovery Account of
24 the Real Estate Fund. Said check must be received by the
25 Department prior to the effective date of the Decision in this
26 matter.

27 (c) If Respondent STONE REAL ESTATE, INC., fails to

1 pay the monetary penalty in accordance with the terms and
2 conditions of the Decision, the Commissioner may, without a
3 hearing, vacate and set aside the stay order, and order the
4 immediate execution of all or any part of the stayed suspension.

5 (d) No final subsequent determination be made, after
6 hearing or upon stipulation, that cause for disciplinary action
7 against Respondent STONE REAL ESTATE, INC., occurred within two
8 (2) years of the effective date of the Decision herein. Should
9 such a determination be made, the Commissioner may, in his or
10 her discretion, vacate and set aside the stay order, and order
11 the execution of all or any part of the stayed suspension, in
12 which event the Respondent shall not be entitled to any
13 repayment nor credit, prorated or otherwise, for money paid to
14 the Department under the terms of this Decision.

15 (e) If Respondent STONE REAL ESTATE, INC., pays the
16 monetary penalty and if no further cause for disciplinary action
17 against the real estate license of Respondent occurs within two
18 (2) years from the effective date of the Decision herein, then
19 the stay hereby granted shall become permanent.

20 II

21 A. All licenses and licensing rights of Respondent
22 CRAIG CARTER LEWIS, under the Real Estate Law are indefinitely
23 suspended until such time as Respondent provides proof
24 satisfactory to the Commissioner that Respondent has, within one
25 hundred twenty (120) days prior to the effective date of the
26 Decision herein or any date after said effective date, taken and
27 successfully completed the trust fund accounting and handling

1 course specified in paragraph (3), subdivision (a) of Section
2 10170.5 of the Business and Professions Code. Upon satisfaction
3 of this condition, the indefinite suspension provided in this
4 paragraph shall be stayed.

5 B. All licenses and licensing rights of Respondent

6 CRAIG CARTER LEWIS under the Real Estate Law are suspended for a
7 period of sixty (60) days from the effective date of the
8 Decision herein; provided, however:

9 1. If Respondent CRAIG CARTER LEWIS petitions, sixty
10 (60) days of the sixty (60) day suspension shall be stayed upon
11 the condition that:

12 (a) Respondent CRAIG CARTER LEWIS pays a monetary
13 penalty pursuant to Section 10175.2 of the Code of \$6,000.00.

14 (b) Said payment shall be in the form of a cashier's
15 check or certified check made payable to the Recovery Account of
16 the Real Estate Fund. Said check must be received by the
17 Department prior to the effective date of the Decision in this
18 matter.

19 (c) If Respondent CRAIG CARTER LEWIS fails to pay the
20 monetary penalty in accordance with the terms and conditions of
21 the Decision, the Commissioner may, without a hearing, vacate
22 and set aside the stay order, and order the immediate execution
23 of all or any part of the stayed suspension.

24 (d) No final subsequent determination be made, after
25 hearing or upon stipulation, that cause for disciplinary action
26 against Respondent CRAIG CARTER LEWIS occurred within two (2)
27 years of the effective date of the Decision herein. Should such

1 a determination be made, the Commissioner may, in his or her
2 discretion, vacate and set aside the stay order, and order the
3 execution of all or any part of the stayed suspension, in which
4 event the Respondent shall not be entitled to any repayment nor
5 credit, prorated or otherwise, for money paid to the Department
6 under the terms of this Decision.

7 (e) If Respondent CRAIG CARTER LEWIS pays the
8 monetary penalty and if no further cause for disciplinary action
9 against the real estate license of Respondent occurs within two
10 (2) years from the effective date of the Decision herein, then
11 the stay hereby granted shall become permanent.

12 III

13 A. All licenses and licensing rights of Respondent
14 ANDRA DEE SILL under the Real Estate Law are revoked; provided,
15 however, a restricted real estate salesperson license shall be
16 issued to said Respondent pursuant to Section 10156.5 of the
17 Business and Professions Code if, within 90 days from the
18 effective date of the Decision entered pursuant to this Order,
19 Respondent makes application for the restricted license and pays
20 to the Department of Real Estate the appropriate fee therefor.

21 B. The restricted license issued to Respondent ANDRA
22 DEE SILL shall be subject to all of the provisions of Section
23 10156.7 of the Business and Professions Code and to the
24 following limitations, conditions and restrictions imposed under
25 authority of Section 10156.6 of that Code:

26 1. The restricted license issued to Respondent ANDRA
27 DEE SILL may be suspended prior to hearing by Order of the Real

1 Estate Commissioner in the event of Respondent's conviction or
2 plea of nolo contendere to a crime which is substantially
3 related to Respondent's fitness or capacity as a real estate
4 licensee.

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

12 3. Respondent ANDRA DEE SILL shall not be eligible
13 to apply for the issuance of an unrestricted real estate license
14 nor for the removal of any of the conditions, limitations or
15 restrictions of a restricted license until two (2) years have
16 elapsed from the effective date of this Decision.

17 4. Respondent ANDRA DEE SILL shall submit with any
18 application for license under an employing broker, or any
19 application for transfer to a new employing broker, a statement
20 signed by the prospective employing real estate broker on a form
21 approved by the Department of Real Estate which shall certify:

22 (a) That the employing broker has read the Decision
23 of the Commissioner which granted the right to a restricted
24 license; and,

25 (b) That the employing broker will exercise close
26 supervision over the performance by the restricted licensee
27 relating to activities for which a real estate license is

1 required.

2 5. Respondent ANDRA DEE SILL shall, within nine
3 months from the effective date of the Decision, present evidence
4 satisfactory to the Real Estate Commissioner that Respondent
5 has, since the most recent issuance of an original or renewal
6 real estate license, taken and successfully completed the
7 continuing education requirements of Article 2.5 of Chapter 3 of
8 the Real Estate Law for renewal of a real estate license. If
9 Respondent fails to satisfy this condition, the Commissioner may
10 order the suspension of the restricted license until the
11 Respondent presents such evidence. The Commissioner shall
12 afford Respondent the opportunity for a hearing pursuant to the
13 Administrative Procedure Act to present such evidence.

14 6. Respondent ANDRA DEE SILL shall, within six (6)
15 months from the effective date of this Decision, take and pass
16 the Professional Responsibility Examination administered by the
17 Department including the payment of the appropriate examination
18 fee. If Respondent fails to satisfy this condition, the
19 Commissioner may order suspension of Respondent's license until
20 Respondent passes the examination.

21 7. Respondent ANDRA DEE SILL shall, prior to the
22 effective date of the Decision and as a condition to be met
23 prior to the issuance of the restricted license, submit proof
24 satisfactory to the Commissioner that Respondent has paid the
25 sum of \$1,857.92 to Stacy Jay McCullough and Darlene McCullough.

26 ///

27 //

1
2 6/29/07
3 DATED

Michael B. Rich
MICHAEL B. RICH, Counsel
Department of Real Estate

4 * * *

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

16 STONE REAL ESTATE, INC.,
17 Respondent

18 JUN 27 2007
19 DATED

By: Craig Carter Lewis
CRAIG CARTER LEWIS,
Designated Broker/Officer

21 JUN 27 2007
22 DATED

Craig Carter Lewis
CRAIG CARTER LEWIS,
Respondent

24 JUN 27 2007
25 DATED

Andra Dee Sill
ANDRA DEE SILL
Respondent

FILED
JAN 27 2006

DEPARTMENT OF REAL ESTATE

By S. El

MICHAEL B. RICH, Counsel
SBN 84257
Department of Real Estate
P. O. Box 187007
Sacramento, CA 95818-7007

Telephone: (916) 227-0789

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
STONE REAL ESTATE, INC.,)	NO. H-1878 FR
CRAIG CARTER LEWIS, and)	<u>ACCUSATION</u>
ANDRA DEE SILL,)	
Respondents.)	

The Complainant, JOHN W. SWEENEY a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against STONE REAL ESTATE, INC., CRAIG CARTER LEWIS, and ANDRA DEE SILL, is informed and alleges as follows:

I

The Complainant, JOHN W. SWEENEY, a Deputy Real Estate Commissioner of the State of California, makes this Accusation against Respondent in his official capacity and not otherwise.

II

Respondents STONE REAL ESTATE, INC., CRAIG CARTER LEWIS, and ANDRA DEE SILL are presently licensed and/or have license rights under the Real Estate Law, Part 1 of Division 4

1 of the California Business and Professions Code (hereafter "the
2 Code").

3 III

4 At all times herein mentioned, STONE REAL ESTATE, INC.
5 was and is licensed by the Department of Real Estate (hereafter
6 "the Department") as a real estate broker corporation,
7 individually and doing business as PRUDENTIAL CALIFORNIA REALTY
8 (hereafter "PRUDENTIAL").

9 IV

10 At all times herein mentioned, Respondent CRAIG CARTER
11 LEWIS (hereafter "LEWIS") was and is licensed by the Department
12 as an individual real estate broker, and as the designated
13 broker officer of Respondent PRUDENTIAL.

14 V

15 At all times herein mentioned, Respondent ANDRA DEE
16 SILL (hereafter "SILL") was and is licensed by the Department as
17 an real estate salesperson, and was associated with or in the
18 employ of Respondent PRUDENTIAL.

19 VI

20 At all times herein mentioned, Respondent PRUDENTIAL
21 engaged in the business and acted in the capacity of a real
22 estate broker in California, for or in expectation of
23 compensation under Section 10131 of the Code, including but not
24 limited to selling or offering to sell, buying or offering to
25 buy, soliciting prospective sellers or purchasers of, and/or
26 negotiating the purchase, sale or exchange of real property.

27 ///

1 VII

2 In or about October of 2002, David Rehder, Trustee,
3 (hereafter Seller) was the owner of certain real property known
4 as and located at 437 Hackett Road, Modesto, California, and
5 entered into a listing agreement with Respondents to sell the
6 property for \$229,000.

7 VIII

8 On or about May 28, 2003, and while acting in the
9 capacity of a real estate licensee as alleged above, Respondent
10 SILL prepared a residential purchase agreement and receipt for
11 deposit (hereafter the Offer) on behalf of prospective buyers
12 Stacy Jay and Darlene McCullough (hereafter "Buyers"), to
13 constitute Buyers' offer to the above-described real property
14 for \$222,000, and other terms and conditions.

15 IX

16 The Offer acknowledged receipt by Respondent SILL and
17 PRUDENTIAL of a deposit from Buyers in the form of a personal
18 check payable to Chicago Title in the sum of \$2,000. The Offer
19 stated that the above funds were to be held uncashed until
20 acceptance, and then to be deposited within three business days
21 after acceptance with the escrow holder.

22 X

23 Respondent SILL presented the Offer to Seller on or
24 about May 29, 2003. Respondents SILL and PRUDENTIAL expressly
25 or impliedly represented that Buyers had given them a check for
26 the earnest money deposit; that the earnest money deposit was in
27 the sum of \$2,000; that PRUDENTIAL would hold the check uncashed

1 until acceptance; and that, upon acceptance PRUDENTIAL would
2 immediately deposit the funds into escrow with Chicago Title.
3 In reliance thereon, Seller entered into negotiations that led
4 to an accepted contract on or about June 17, 2003.

5 XI

6 The above representations were false and untrue and
7 were known or should have been known to Respondents PRUDENTIAL
8 and SILL to be false and untrue at the time(s) they were made.
9 The true facts then existing were that PRUDENTIAL and SILL did
10 not receive any earnest money deposit from Buyers at the time
11 the Offer was made. Respondent SILL failed to disclose to
12 Seller that neither she nor PRUDENTIAL was in receipt of any
13 earnest money deposit from Buyer in any amount or form
14 whatsoever.

15 XII

16 In connection with the Offer, Buyers informed
17 Respondent SILL that they did not have sufficient funds to pay
18 all closing costs at close of escrow. The Offer, drafted by
19 Respondent SILL, contained a requirement that Seller would
20 credit Buyers with ". . . \$4,000 towards buyers Recurring [sic]
21 and Non-Recurring closing costs." In the course of negotiations
22 prior to June 17, 2003, including various counter offers as to
23 price and other terms, Buyers deleted their request that Seller
24 credit them \$4,000, and added a requirement that Seller was to
25 pay one-half of Buyers' closing costs in Counter Offer No. Two,
26 drafted by SILL, to wit: "Closing cost to be split ½ & ½ ." On
27 or about June 17, 2004, PRUDENTIAL and SILLS expressly or

1 impliedly represented to Buyers that Seller had accepted this
2 condition in accepting the final terms.

3 XIII

4 On or about June 20, 2003, in reliance on the
5 representations of Respondents PRUDENTIAL and SILLS and the
6 negotiated contract, Buyers deposited an earnest money check in
7 the sum of \$2,000 with Chicago Title Company.

8 XIV

9 At all times herein mentioned, PRUDENTIAL and SILL
10 owed the Buyers fiduciary duties of utmost care, integrity,
11 honesty, and loyalty; and a duty to diligently exercise
12 reasonable skill and care in the performance of acts for which a
13 license is required.

14 XV

15 On or about July 24, 2003, Respondent SILL drafted a
16 proposed Addendum No. 2 to the purchase contract to provide a
17 definition of Buyers' "closing costs" as follows: "In regards
18 to item #5 counter offer #2, closing costs are only to be split
19 $\frac{1}{2}$ and $\frac{1}{2}$ for just escrow and title fees." Respondents PRUDENTIAL
20 and SILL caused the Addendum to be sent to Buyers for their
21 signature and Buyers refused to sign it.

22 XVI

23 Escrow was set to close on August 1, 2003, and Buyers
24 performed by executing all documents and escrow instructions,
25 and tendered payment of the sum of one-half of their total
26 closing costs of \$7,104 to the escrow company. Seller refused

27 ///

1 to pay half of their closing costs and the transaction was
2 cancelled.

3 XVII

4 The acts and/or omissions of Respondents PRUDENTIAL
5 and SILL as alleged constitute grounds for disciplinary action
6 under the provisions of Sections 10176(a), 10176(i), and/or
7 10177(g).

8 SECOND CAUSE OF ACTION

9 XVIII

10 Within the last three years, Respondent LEWIS failed
11 to exercise reasonable supervision over the activities of
12 PRUDENTIAL and SILL for which a real estate license is required.
13 In particular, LEWIS caused, permitted, and/or ratified the
14 conduct described above, and/or failed to take reasonable steps
15 to implement effective supervision that would have prevented it,
16 including but not limited to both the establishment of policies,
17 rules, procedures, and systems to review, oversee, inspect and
18 manage the handling of trust funds, the negotiation of real
19 estate transactions, and the drafting of contracts; and the
20 establishment of systems for monitoring compliance with such
21 policies, rules, procedures, and systems, to ensure compliance
22 by the company with the Real Estate Law.

23 XIX

24 The acts and/or omissions of Respondent LEWIS as
25 alleged above constitute cause for disciplinary action pursuant
26 to Section 10177(h) of the Code and Section 2725 of the
27 Regulations.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof a decision be rendered imposing disciplinary action against all license(s) and license rights of Respondent under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other provisions of law.

JOHN W. SWEENEY
Deputy Real Estate Commissioner

Dated at Fresno, California,
this 1st day of September, 2005.