


1 Bureau of Real Estate
2 320 W. 4th Street, Suite 350
3 Los Angeles, CA 90013-1105
4 Telephone: (213) 576-6982
5
6
7

FILED
MAY 14 2018
BUREAU OF REAL ESTATE
By 

8 **BEFORE THE BUREAU OF REAL ESTATE**
9 **STATE OF CALIFORNIA**

10 * * *

11 In the Matter of the Accusation Against)
12 DE EQUITY GROUP; and)
13 SCOTT LEE ELLIS, individually)
14 and as Designated Officer of)
15 DE Equity Group,)
16 Respondents.)

No. H-03106 FR

STIPULATION
AND
AGREEMENT

17 It is hereby stipulated by and between Respondents DE EQUITY GROUP, and
18 SCOTT LEE ELLIS, individually and as designated officer of DE Equity Group, (sometimes
19 collectively referred to as "Respondents"), acting by and through their attorney, Charlotte A.
20 Wittig of WILLIAMS, BRODERSEN, PRITCHETT & BURKE LLP, and the Complainant,
21 acting by and through Amelia V. Vetrone, Counsel for the Bureau of Real Estate, as follows for
22 the purpose of settling and disposing of the Accusation ("Accusation") filed on May 22, 2017, in
23 this matter:

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

1 this Stipulation and Agreement ("Stipulation").

2 2. Respondents have received, read and understand the Statement to Respondent,
3 the Discovery Provisions of the APA and the Accusation filed by the Bureau of Real Estate
4 ("Bureau") in this proceeding.

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

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

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

24 6. It is understood by the parties that the Real Estate Commissioner may adopt
25 this 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
27 event that the Commissioner in his discretion does not adopt the Stipulation, the Stipulation shall

1 be void and of no effect and Respondents shall retain the right to a hearing and proceed on the
2 Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver
3 made herein.

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

8 8. Respondents understand that by agreeing to this Stipulation, Respondents
9 agree to pay, pursuant to Business and Professions Code ("Code") Section 10148, the cost of the
10 audit which led to this disciplinary action. The amount of said cost is \$6,538.50.

11 DETERMINATION OF ISSUES

12 By reason of the foregoing, it is stipulated and agreed that the following
13 determination of issues shall be made:

14 The conduct, acts or omissions of Respondents DE EQUITY GROUP and
15 SCOTT LEE ELLIS ("ELLIS"), as described in Paragraph 4, above, are in violation of Code
16 Sections 10145, 10177(d), and 10177(g) and additionally as to ELLIS, 10177(h), and Section
17 2725 of Title 10, Chapter 6 of the California Code of Regulations ("Regulations") and are a basis
18 for discipline of Respondents' licenses and license rights as a violation of the Real Estate Law,
19 Part 1 of Division 4 of the Code, pursuant to Code Sections 10177(d), 10177(g), and 10177(h)
20 (ELLIS).

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

1 II.

2 Respondent ELLIS shall, within six (6) months from the effective date of this
3 Decision and Order herein, take and pass the Professional Responsibility Examination
4 administered by the Bureau including the payment of the appropriate examination fee. If
5 Respondent fails to satisfy this condition, his real estate license shall be automatically suspended
6 until he passes the examination.

7 III.

8 Respondent ELLIS shall, within nine (9) months from the effective date of this
9 Decision and Order, present evidence satisfactory to the Real Estate Commissioner that he has,
10 since the most recent issuance of an original or renewal real estate license, taken and successfully
11 completed the continuing education course on trust fund accounting and handling specified in
12 paragraph (3) of subdivision (a) of Code Section 10170.5. If Respondent fails to satisfy this
13 condition, Respondent ELLIS' real estate license shall be automatically suspended until he
14 presents evidence satisfactory to the Commissioner of having taken and successfully completed
15 the trust fund accounting and handling course. Proof of completion of the continuing education
16 course must be delivered to the Bureau of Real Estate, Flag Section, P.O. Box 137013,
17 Sacramento, CA 95813-7013.


18 IV.

19 Pursuant to Code Section 10148, Respondents shall pay the Commissioner's
20 reasonable cost for the audit which led to this disciplinary action in the amount of \$6,538.50.
21 Respondents shall pay such cost within sixty (60) days of receiving an invoice therefore from the
22 Commissioner. Payment of the audit costs should not be made until Respondents receive the
23 invoice. Respondents are jointly and severally liable for the cost of the audit. If Respondents
24 fail to satisfy this condition in a timely manner as provided for herein, Respondents' real estate
25 licenses shall automatically be suspended until payment is made in full, or until a decision
26 providing otherwise is adopted following a hearing held pursuant to this condition.

27 ///

1 Pursuant to Code Section 10148 of the Code, Respondents shall pay the
2 Commissioner's reasonable cost, not to exceed \$8,173.13, for a subsequent audit to determine if
3 Respondents have corrected the violations found in the Determination of Issues. In calculating
4 the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated
5 average hourly salary for all persons performing audits of real estate brokers, and shall include
6 an allocation for travel time to and from the auditor's place of work. Respondents shall pay such
7 cost within sixty (60) days of receiving an invoice therefor from the Commissioner. Payment of
8 the audit costs should not be made until Respondents receive the invoice. Respondents are
9 jointly and severally liable for the cost of the subsequent audit. If Respondents fail to satisfy this
10 condition in a timely manner as provided for herein, Respondents real estate licenses shall
11 automatically be suspended until payment is made in full, or until a decision providing otherwise
12 is adopted following a hearing held pursuant to this condition.

13
14 DATED: 4-20-18

15 
16 _____
17 Amelia V. Vetrone, Counsel for
18 Bureau of Real Estate

19 * * *

20 EXECUTION OF THE STIPULATION

21 I have read the Stipulation. Its terms are understood by me and are agreeable and
22 acceptable to me. I understand that I am waiving rights given to me by the California
23 Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and
24 11513 of the Government Code), and I willingly, intelligently and voluntarily waive those rights,
25 including the right of requiring the Commissioner to prove the allegations in the Accusation at a
26 hearing at which I would have the right to cross-examine witnesses against me and to present
27 evidence in defense and mitigation of the charges.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondents DE EQUITY GROUP, and SCOTT LEE ELLIS, individually and as designated officer of DE Equity Group, and shall become effective at 12 o'clock noon on

~~JUN - 4 2018~~

IT IS SO ORDERED May 2, 2018

WAYNE S. BELL
Real Estate Commissioner



By: DANIEL J. SANDRI
Chief Deputy Commissioner