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DEPARTMENT OF REAL ESTATE

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-7852 SF
)	
DOUGLAS KEITH REID,)
)	
Respondent.)
)	

ORDER GRANTING REINSTATEMENT OF LICENSE

On December 12, 2000, a Decision was rendered herein revoking the real estate broker license of Respondent effective January 17, 2001.

On January 25, 2007, Respondent petitioned for reinstatement of said real estate broker license, and the Attorney General of the State of California has been given notice of the filing of said petition.

I have considered the petition of Respondent and the evidence and arguments in support thereof. Respondent has demonstrated to my satisfaction that Respondent meets the requirements of law for the issuance to Respondent of an unrestricted real estate broker license and that it would not be against the public interest to issue said license to Respondent.

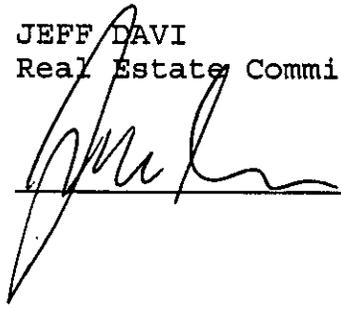
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NOW, THEREFORE, IT IS ORDERED that Respondent's
petition for reinstatement is granted and that a real estate
broker license be issued to Respondent if Respondent satisfies
the following conditions within nine months from the date of
this Order:

1. Respondent shall take and pass the real estate
broker license examination.
2. Submittal of a completed application and payment of
the fee for a real estate broker license.

This Order shall be effective immediately.

DATED: 6.24.08

JEFF DAVI
Real Estate Commissioner


1 The burden of proving rehabilitation rests with the
2 petitioner (Feinstein v. State Bar (1952) 39 Cal. 2d 541). A
3 petitioner is required to show greater proof of honesty and
4 integrity than an applicant for first time licensure. The proof
5 must be sufficient to overcome the prior adverse judgment on the
6 applicant's character (Tardiff v. State Bar (1980) 27 Cal. 3d
7 395).

8 The Department has developed criteria to assist in
9 evaluating the rehabilitation of an applicant for reinstatement
10 of a license. Among the criteria relevant in this proceeding
11 are:

12 (a) The passage of not less than two years since the
13 most recent criminal conviction or act of the applicant that is a
14 basis to deny the departmental action sought. (A longer period
15 will be required if there is a history of acts or conduct
16 substantially related to the qualifications, functions, or duties
17 of a licensee of the Department.) On or about February 15, 1996,
18 Respondent was convicted of a violation of Section 12500(a) of
19 the Vehicle Code. On or about April 1, 1997, Respondent was
20 convicted of a violation of Section 490.1 of the Penal Code.
21 These convictions are in addition to the two counts of violation
22 of Section 11379 of the Health and Safety Code that serve as the
23 basis for the action in this matter. Consequently, Respondent
24 has a history of criminal convictions warranting a longer period
25 of time in which to establish rehabilitation.

26 (i) Completion of, or sustained enrollment in,
27 formal educational or vocational training courses for economic

1 self-improvement. Respondent has submitted no evidence of
2 completion of, or sustained enrollment in, formal educational or
3 vocational training courses.

4 (k) Correction of business practices resulting in
5 injury to others or with the potential to cause such injury.
6 Respondent has not acted in a fiduciary capacity, including
7 the handling of funds on behalf of another or others. Respondent
8 has not established that he has corrected his business
9 practices.

10 (n) Change in attitude from that which existed at the
11 time of the conduct in question as evidenced by any or all of
12 the following:

13 (1) Testimony of applicant.

14 (2) Evidence from family members, friends or
15 other persons familiar with applicant's previous conduct and with
16 his subsequent attitudes and behavioral patterns.

17 (3) Evidence from probation or parole officers or
18 law enforcement officials competent to testify as to applicant's
19 social adjustments.

20 (4) Evidence from psychiatrists or other persons
21 competent to testify with regard to neuropsychiatric or
22 emotional disturbances.

23 In response to a question in the petition application,
24 "Have you ever been a defendant in any civil court litigation,
25 including small claims court? If yes, give details below ...",
26 Respondent answered "No" and failed to disclose in his petition
27 the following civil court litigation:

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Household Bank v. Reid, Santa Clara County Municipal
Court No. DC94295755.

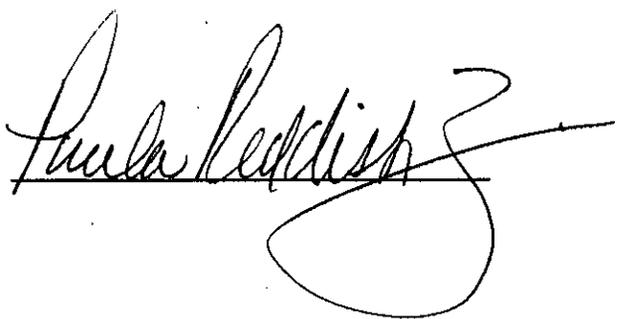
Given the violations found and the fact that Respondent
has not established that he has complied with Sections 2911 (a),
(i), (k), and (n) of Title 10, California Code of Regulations, I
am not satisfied that Respondent is sufficiently rehabilitated
to receive a real estate broker license.

NOW, THEREFORE, IT IS ORDERED that Respondent's
petition for reinstatement of his real estate broker license is
denied.

This Order shall be effective at 12 o'clock noon on
September 23, 2003.

DATED: August 15, 2003

PAULA REDDISH ZINNEMANN
Real Estate Commissioner



BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of
DOUGLAS KEITH REID,
Respondent.

No. H-7852 SF

OAH No. N 2000090311

CORRECTED PROPOSED DECISION

On October 11, 2000, in Oakland, California, Perry O. Johnson, Administrative Law Judge, Office of Administrative Hearings, State of California, heard this matter.

James L. Beaver, Counsel, represented complainant.

Respondent Douglas Keith Reid was present throughout the proceeding, but he was not otherwise represented.

On October 11, 2000, the parties were deemed to have submitted the matter and the record closed.

APPLICATION TO CORRECT MISTAKE OR ERROR IN PROPOSED DECISION

On October 26, 2000, the Office of Administrative Hearings issued a proposed decision in this matter. On November 8, 2000, the Office of Administrative Hearings received a letter from counsel for Complainant. The letter set forth arguments and grounds to correct mistakes in the proposed decision pursuant to Government Code section 11518.5. On November 9, 2000, the undersigned dispatched a letter to counsel for Complainant that conveyed conditions for attending to complainant's request to correct the apparent mistakes. The conditions having been met and as respondent did not file an objection to the corrective measures sought by complainant, on Friday, November 17, 2000, the matter was submitted so that this corrected proposed decision issues.

FACTUAL FINDINGS

1. Complainant Les R. Bettencourt ("Complainant"), in his official capacity as a Deputy Real Estate Commissioner of the State of California, made the accusation against respondent Douglas Keith Reid ("respondent").

2. On November 29, 1999, respondent signed an application for renewal of his licensure as a real estate broker. On November 29, 1999, the Department of Real Estate received respondent's renewal application for a real estate broker license.

The Department duly renewed respondent's license as of November 29, 1999.

3. For all times mentioned hereinbelow, respondent was licensed as a real estate broker under the California Real Estate Law, which is set out in Part 1 of Division 4 of the Business and Professions Code. However, respondent has not acted as a real estate broker since about 1988.

4. On April 7, 1999, the California Superior Court for Stanislaus County convicted respondent, on two counts, of violating California Health and Safety Code section 11379 (Sale of a Controlled Substance - Methamphetamine), a felony.

Respondent's unlawful acts comprise a crime involving moral turpitude that bears a substantial relationship to the qualifications, functions or duties of a real estate licensee.

5. The facts and circumstances of the criminal acts that led to respondent's conviction in April 1999 (that is, counts I and II of the Criminal Complaint) result from two instances, respectively on February 26, 1999, and March 6, 1999, when in Modesto, California, respondent sold methamphetamine, commonly known as "crank," to an undercover police officer of the local police department. On March 10, 1999, Modesto City Police arrested respondent for his acts of unlawfully selling methamphetamine.

6. As a consequence of his conviction, the Stanislaus County Superior Court placed respondent on probation for 36 months, over which time the court would suspend imposition of a sentence so long as respondent adheres to terms and conditions of probation.

The terms and conditions of probation include a provision that respondent pay a fine of \$150 for assistance of a court appointed attorney and a restitution fund fine of \$200. Additionally, the court commanded that respondent be confined in the county jail for 240 days beginning on June 7, 1999. Respondent appears to have been released from jail on approximately November 15, 1999.

Matters in Mitigation

7. Respondent contends that he has been a real estate licensee for more than twenty years. Complainant does not provide any evidence that over the period of time that he actively engaged in real estate sales that the Department imposed disciplinary action against his license.

Matters in Extenuation

8. About twelve years ago, respondent made a series of flawed decisions that adversely affected his income, and consequently prompted him to seek out the artificial relief of mind altering drugs to lessen his conscious sense of frustration and anguish regarding his failed marriage and dire financial plight.

From about 1980 until approximately 1988, respondent had a successful real estate practice in San Jose. Although, he had a real estate broker license, respondent's greatest prosperity appears to have resulted from his services to other brokers where he shared commissions.

In about 1988, respondent decided to move his business and residence to Modesto where he bought residential rental property. Respondent asserts that his efforts in owning rental property in Modesto failed when the rental property market in Modesto did not allow for the appreciation in value of the property. He also asserts that his plans failed when he could not generate the level of commissions on sales of property in Modesto.

Respondent claims that his failed real estate ventures in Modesto ruined his credit and contributed to the break up of his marriage.

Respondent contends that the realization of having not succeeded in the Modesto real estate market and the end of his marriage (respondent has not finalized a divorce from his estranged wife) were matters that prompted him to use drugs.

With the drug use, respondent spiraled downward from his previous wholesome lifestyle. His first conviction of petty theft came about when he did not have money to purchase a light bulb for a lamp, which he had hoped to present to a friend. Respondent continued to use the drug—methamphetamine—until his arrest in March 1999.

Matters in Rehabilitation

9. Respondent has paid the full amount of the court fines and fees as imposed in April 1999 by the court for the conviction of drug sales. In early October 2000, respondent satisfied the fines imposed by the court due to the 1997 conviction for petty theft.

10. At the hearing of this matter, respondent produces one witness to give testimony regarding respondent's changed behavior, his attitude towards the past criminal activity or his current reputation for honesty and trustworthiness.

Mr. Richard Allan Strock ("Mr. Strock"), a licensed real estate broker, has known respondent since the early or mid-1980s, when respondent operated his real estate broker practice under the name "The Assumption Place." For a span of years, Mr. Strock lost track of respondent after he moved to Modesto.

About six months before the hearing date, respondent came to Mr. Strock to relay his unsatisfactory condition due to his record of criminal conviction and his jail term. Respondent expressed his need for assistance to rehabilitate his life. Initially, Mr. Strock hired respondent to perform handyman type work and supervision of casual employees at a real property that he owned. Also, Mr. Strock allowed respondent to provide services as the resident-manager of a nine-unit apartment building in San Jose, where respondent received a discount on his rent. In that respondent performed exemplary services, Mr. Strock influenced his business associates to consider hiring respondent as a full time employee at a self-service storage facility that the businessmen owned. Following his hiring, respondent performed admirably so that when Mr. Strock and his business associates opened a new storage facility, about three months before the hearing date they hired respondent as manager of the Lincoln Avenue Self Storage.

Mr. Strock expresses that respondent is diligent, honest and trustworthy in his current dealings. However, respondent does not handle money in his capacity as manager of the self-service storage facility.

11. Respondent currently works as manager of the Lincoln Avenue Self-Storage facility. He earns \$20 per hour in his management job. Respondent also is employed as a resident manager of the apartment building in which he and his 19-year-old daughter live.

Respondent has lived at the apartment building, which he manages, for a period of four months before the date of the hearing in this matter.

12. After his release from jail around November 15, 1999, respondent took measures to move from Modesto so as to establish new and different social relationships from those which existed at the time of the commission of the acts that led to his past

criminal convictions. He made the move to his residence in San Jose on approximately January 5, 2000. He lived on the property of his brother for a period of six months before moving to his present residence in San Jose.

13. Respondent compellingly offers at the hearing that he has the solid and uncompromising support of the members of his family. However, no family member, nor personal family friend, appears at the hearing. Respondent offers several letters as administrative hearsay¹ in support of the support and renewed respect of those members of his family. Poignant and sincere letters flow into the record from respondent's mother, father, sister, daughter and son. The administrative hearsay assertions in the letters supplement respondent's claims regarding his change in attitude, his goal of being drug free, and his aspirations for a revival of his past wholesome status in society.

14. Respondent has three children - a son who is 20 years old, a daughter who is 19 years old and a son who is 8 years old.

His daughter recently lived with respondent at the apartment in the building he manages. Respondent is now paying child support for his 8-year-old son.

15. Respondent appears to have adopted a change in attitude from that which existed at the time of the commission of the criminal acts that led to his past convictions. His testimony, and the compellingly letters from members of his family, indicate that respondent is on a path towards full rehabilitation.

16. Respondent is 48 years of age and he is more mature than at the time of his last conviction.

Matters that Negatively Impact on Respondent's Progress towards Rehabilitation

17. Only seven months elapsed between respondent's conviction date and the date of his renewal application for licensure as a real estate broker. As of the time of the hearing of this matter, less than two years had passed since the date of his conviction.

18. Respondent has a conviction for petty theft in the not too remote past. On December 31, 1996, Modesto police arrested respondent after he stole a light bulb from a Walmart store. Respondent failed to appear at court on the citation issued at the time of his arrest so that a warrant issued for his arrest. Police arrested respondent on April 27, 1999, when respondent rode of bike without a headlamp at night and when he had drugs in his possession. On April 29, 1997, the Municipal Court in Stanislaus County convicted respondent on his plea of guilty to Penal Code section 490.1 (Petty Theft), an infraction.

¹ Government Code section 11513, subdivision (d).

As a consequence of the conviction, the court imposed fines and fees of \$450 upon respondent. The court also placed respondent on probation for a period of 18 months.

19. On April 27, 1997, Modesto police arrested respondent due to his possession of methamphetamine, which police discovered in his wallet when police stopped him when he rode a bike without a headlamp at 9:30 at night. The court appeared not to have convicted him of the offense of unlawful possession of the illegal drug.

20. Respondent's probation from his felony conviction will not end until approximately April 6, 2002. Accordingly, he has not reached a point where he can petition the criminal court for an order of expungement of the 1999 felony conviction for selling drugs.

Respondent provides no evidence that he has petitioned the court under Penal Code section 1203.4 for an order of expungement of his petty theft conviction.

21. Respondent's credibility is subject to attack² due to his felony conviction.

22. Since his conviction, respondent has fallen in arrears on child support payments for his 8-year-old son. Due to the sum of more than \$18,000 being owed by respondent to the mother of his child, in July 2000 the Stanislaus County District Attorney's office was required to secure a court order to attach respondent's wages in an amount of \$327 per month.

23. Although respondent declares that he does not have a current urge to use drugs, respondent provides no evidence at hearing that he has taken part in any drug treatment or counseling program since his conviction last year. He casually advances, however, that after his arrest he attended "25" meetings of Narcotics Anonymous; however, he offers no documentary proof in support of his contention. Hence, inadequate evidence exists that respondent has embraced total abstinence from use of illegal drugs for a period of two years or more.

24. Respondent provides no evidence that he has made any significant or conscientious involvement in community, church or privately-sponsored programs designed to provide social benefits or to ameliorate social problems. Respondent and his employer—Mr. Strock—contend that respondent's work schedule prevents him from devoting time to civic or community affairs or aiding the good works of a church or religious organization.

² Evidence Code section 788.

25. Respondent provides no competent evidence that he has completed, or been involved in sustained enrollment in, formal education or vocational training courses for economic self-improvement.

LEGAL CONCLUSIONS

1. Cause for discipline against respondent's license as a real estate broker exists under Business and Professions Code sections 490 and 10177, subdivision (b), by reason of the matters set forth in Factual Findings 4.

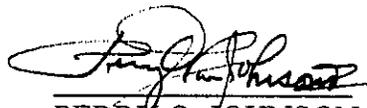
2. In light of the 1999 criminal conviction against respondent that involves the felony crime of engaging in the unlawful sale of the dangerous drug—methamphetamine, respondent has not attained a majority of the applicable criteria for rehabilitation as set out in California Code of Regulations, title 10, section 2912.

3. Respondent does not provide satisfactory evidence that it would be in the public interest to issue respondent a license, even on a restricted basis.

ORDER

All licenses and licensing rights of respondent Douglas Keith Reid under the Real Estate Law are revoked.

DATED: November 20, 2000



PERRY O. JOHNSON
Administrative Law Judge
Office of Administrative Hearings

FILED

BEFORE THE DEPARTMENT OF REAL ESTATE SEP 13 2000
STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

DOUGLAS KEITH REID,

}

Case No. H-7852 SF

OAH No. _____

By Pauline A. Zain

Respondent

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at the _____
Office of Administrative Hearings, 1515 Clay Street, Suite 206,
Oakland, CA 94612

on Wednesday, October 11, 2000, at the hour of 3:00 PM,
or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of
hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten
(10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days
will deprive you of a change in the place of the hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You
are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent
yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the
Department may take disciplinary action against you based upon any express admission or other evidence including
affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses
testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the
production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who
does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The
interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

Dated: September 13, 2000

DEPARTMENT OF REAL ESTATE

By JAMES L. BEAVER Counsel

1 JAMES L. BEAVER, Counsel (SBN 60543)
2 DEPARTMENT OF REAL ESTATE
3 P. O. Box 187000
4 Sacramento, CA 95818-7000
5 Telephone: (916) 227-0789
6 (916) 227-0788 (Direct)

FILED
JUL 18 2000

DEPARTMENT OF REAL ESTATE

By *Louise A. Zinn*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No.: H-7852 SF
12 DOUGLAS KEITH REID,) ACCUSATION
13 Respondent.)
14

15 The Complainant, Les R. Bettencourt, a Deputy Real
16 Estate Commissioner of the State of California, for cause of
17 Accusation against DOUGLAS KEITH REID (hereinafter "Respondent"),
18 is informed and alleges as follows:

19 I

20 At all times herein mentioned, Respondent was and now
21 is licensed and/or has license rights under the Real Estate Law,
22 Part 1 of Division 4 of the Business and Professions Code
23 (hereinafter "Code") as a real estate broker.

24 II

25 The Complainant, Les R. Bettencourt, a Deputy Real
26 Estate Commissioner of the State of California, makes this
27 Accusation against Respondent in his official capacity.

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III

On or about April 7, 1999, in the Superior Court of California, County of Stanislaus, Respondent was convicted of two separate and distinct counts of the crime of Sale of a Controlled Substance, in violation of Health and Safety Code Section 11379, each a felony and a crime involving moral turpitude which bears a substantial relationship under Section 2910, Title 10, California Code of Regulations (herein "the Regulations"), to the qualifications, functions or duties of a real estate licensee.

IV

The facts alleged above constitute cause under Sections 490 and 10177(b) of the Code for suspension or revocation of all licenses and license rights of Respondent under the Real Estate Law.

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 licenses 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.


LES R. BETTENCOURT
Deputy Real Estate Commissioner

Dated at Oakland, California,
this 22nd day of June, 2000.