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FILED
JUL 02 2004

DEPARTMENT OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) NO. H-27787 LA
KAREN WASHAM HAWKINS,)
Respondent.)

ORDER GRANTING REINSTATEMENT OF LICENSE

On November 30, 1998, a Decision was rendered herein
revoking Respondent's real estate salesperson license, but
granting Respondent the right to the issuance of a restricted
real estate salesperson license. A restricted real estate
salesperson license was issued to Respondent on December 31,
1998, and Respondent has operated as a restricted licensee
without cause for disciplinary action against Respondent since
that time.

On November 27, 2002, Respondent petitioned for
Reinstatement of said real estate salesperson license and
the Attorney General of the State of California has been
given notice of the filing of said petition.

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1 I have considered the petition of Respondent and
2 the evidence and arguments in support thereof. Respondent
3 has demonstrated to my satisfaction that Respondent meets
4 the requirements of law for the issuance to Respondent of
5 an unrestricted real estate salesperson license and that
6 it would not be against the public interest to issue said
7 license to Respondent KAREN WASHAM HAWKINS.
8

9 NOW, THEREFORE, IT IS ORDERED that Respondent's
10 petition for reinstatement is granted and that a real estate
11 salesperson license be issued to Respondent, if Respondent
12 satisfies the following conditions within nine (9) months
13 from the date of this Order:

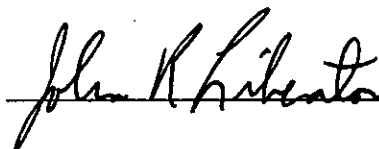
14 1. Submittal of a completed application and payment
15 of the fee for a real estate salesperson license.

16 2. Submittal of evidence of having, since the most
17 recent issuance of an original or renewal real estate license,
18 taken and successfully completed the continuing education
19 requirements of Article 2.5 of Chapter 3 of the Real Estate
20 Law for renewal of a real estate license.

21 This Order shall be effective immediately.

22 Dated: June 25, 2004

23 JOHN R. LIBERATOR
24 Acting Real Estate Commissioner

25 
26

27 cc: Karen W. Hawkins
1225 E. 216th Street
Carson, CA 90745

FILED
DEC 11 1998

DEPARTMENT OF REAL ESTATE

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

By 

* * * * *

In the Matter of the Accusation of)
)
)
 KAREN WASHAM HAWKINS,)
)
)
 Respondent.)
_____)

No. H-27787 LA

L-1998080406

DECISION

The Proposed Decision dated November 6, 1998, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

The Decision suspends or revokes one or more real estate licenses on grounds of conviction of a crime and knowingly making a false statement of fact required to be revealed in an application for license.

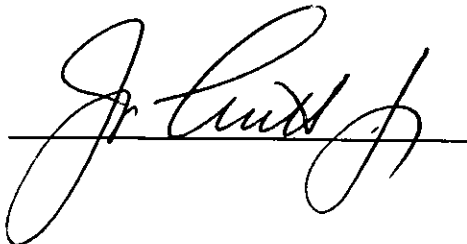
The right to reinstatement of a revoked real estate license or to the reduction of a suspension is controlled by Section 11522 of the Government Code. A copy of Section 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

This Decision shall become effective at 12 o'clock noon on December 31, 1998.

IT IS SO ORDERED

11/30/98

JIM ANTT, JR.
Real Estate Commissioner



BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the)	
Accusation of:)	Case No. H-27787 LA
)	
KAREN WASHAM HAWKINS,)	OAH No. L1998080406
)	
Respondent.)	
_____)	

PROPOSED DECISION

This matter came on for hearing before John F. Grannis, Administrative Law Judge Pro Tem of the office of Administrative Hearings, on October 7, 1998, at Los Angeles, California.

Darlene Averetta, Staff Counsel, represented complainant, Thomas McCrady ("complainant").

Respondent, Karen Washam Hawkins ("respondent") appeared personally and was represented by her counsel, Frank M. Buda.

Oral and documentary evidence was received at the hearing, and the matter was submitted for decision.

FACTUAL FINDINGS

The Administrative Law Judge makes the following factual findings:

1. Complainant, acting in his official capacity as Deputy Real Estate Commissioner of the State of California, Department of Real Estate ("Department"), and not otherwise, filed the Accusation herein on July 31, 1998.

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2. On April 26, 1996, in the United States District Court for the Central District of California, in Case No. CR 94-944 (A), respondent was convicted, pursuant to her agreement to plead guilty, of violating 18 USC Section 371, Conspiracy to Commit Tax Fraud. The evidence failed to establish whether or not, under the terms of respondent's plea agreement, this conviction was to be deemed a felony conviction.

3. Respondent was ordered to pay a fine and assessment in the aggregate amount of \$3,550.00. She was sentenced to probation for a period of three (3) years, on terms and conditions including a term of home detention with electronic monitoring for a period of six (6) months.

4. The criminal activity on which this conviction was based occurred during respondent's brief marriage to Eugene Hawkins, from 1988 to 1991. During this period respondent was a certified tax preparer. She did not work as a tax preparer in 1988, 1989 or 1990. However her husband operated a seasonal tax preparation business during those years, under her name and certificate. In this tax preparation business, Mr. Hawkins used respondent's name as tax preparer on income tax returns that he, not she, prepared. He then signed her name on those returns. Respondent was aware of these practices, and agreed to them. She believed at the time they were legal, and she trusted Mr. Hawkins to operate his business legally.

5. Respondent asked Mr. Hawkins to stop these practices in 1990, and he did so. She thereafter resumed her own seasonal tax preparation business, and was completely honest and accurate in all her work. By that time, however, Mr. Hawkins had already signed her name as tax preparer on numerous false income tax returns. Mr. Hawkins, as a matter of regular practice, had included on these returns such false and fraudulent tax information as false deductions, including dependent child deductions for non-existent children, and sham businesses, complete with false income and false business expenses, none of which actually existed. Respondent did not knowingly or actively participate in these fraudulent business practices. However she admits that, from 1988 to 1990, she knew her husband was signing her name as the tax preparer for all the returns he created.

6. Mr. Hawkins used the above-described practices to fraudulently reduce the tax liability of his clients by many thousands of dollars. This, in turn, resulted in non-payment or significant underpayment of his clients' legitimate federal income tax liabilities. On March 16, 1995, the U.S. Justice department filed a 28-count indictment against respondent, Mr. Hawkins and another person, for conspiracy, perjury, making false statements, and preparing false tax returns. Respondent pleaded guilty only to one count of conspiracy, and the remaining counts against her were dismissed. Mr. Hawkins was eventually convicted of the charges against him, and is now serving a prison sentence for his crimes. Respondent divorced Mr. Hawkins in 1991, and she no longer has any contact with him.

7. Respondent served her home detention without incident, and she paid her fine and penalty assessment in a timely fashion. She has now successfully completed all but the last six months of her probation. After she completes her probation, she will no longer be subject to further court supervision of any kind.

8. The Department first licensed respondent as a real estate salesperson on September 5, 1989. Her original license expired in September 1993, but was renewed in October 1993, pursuant to her application. On October 16, 1997, respondent filed an application with the Department for the renewal of her real estate salesperson's license. In response to Question 3 on her renewal application, respondent failed to disclose her 1996 conspiracy conviction. In response to Question 15 on her application, respondent provided no information of any kind regarding her conviction.

9. On October 20, 1997, the Department renewed respondent's real estate salesperson's license to respondent. This action ensued upon the Department's discovery of respondent's 1996 conspiracy conviction.

10. Respondent has worked for Mr. Theron Jackson, a Carson real estate broker, since 1989. He has known of her conspiracy conviction since April 1996. However, when she filed her renewal application in 1997, respondent did not consult Mr. Jackson for his guidance in how to respond to Questions 3 and 15 on her application. Nor did she seek any advice from the Department, despite her criminal defense attorney's recommendation that she do so. Instead, she discussed the matter with her probation officer, who told her the conviction had not been reported. Respondent admits she knowingly omitted the fact and circumstances of her conviction from her renewal application, bolstered by her probation officer's information. Respondent was afraid she would lose her license, and with it, her ability to continue supporting her two children. She readily admits it was wrong of her to do this, and she takes full responsibility for deceiving the Department in this way.

11. On February 28, 1998, following its discovery of her 1996 conspiracy conviction, the Department interviewed respondent regarding the matter. It was at this point that respondent first learned that her conviction had been reported eventually to the Department. Respondent promptly admitted her knowing failure to disclose the conviction on her renewal application. She thereafter cooperated fully with the Department in its investigation of the matter.

12. Respondent presented credible and persuasive evidence and testimony that she is committed to avoiding any repetition of her past conduct. She readily admits that her conduct was dishonest and wrong. She agrees that she must always

be truthful in her representations and disclosures, and that she must never permit another person to sign her name on important documents.

13. Respondent has been a successful real estate salesperson for over nine years now. In all that time, there have never been any complaints against her for any fraud, dishonesty or negligence as a real estate agent. The Department has never had any previous reason to take disciplinary action against her. Her clients very much appreciate her work on their behalf. Her employer, Mr. Jackson, describes her as a hard worker and a "producer." She has won several productivity awards for her outstanding work as a real estate agent. Mr. Jackson testified on her behalf, in both this proceeding and in federal court, and he fully supports her continuing as a real estate licensee. Mr. Jackson intends to continue employing respondent, and he has agreed to supervise her work as her employing broker.

14. Respondent has been active in her community for several years now. She is an active member of "The Way," her church in Inglewood, where she sings in the choir and helps out in Sunday School. She has participated in a local "Big Sister" program. She has served as a volunteer mentor and tutor for over ten years at the Jay Cee Dee Children's Home, a home for children from dysfunctional families. She has also given both money and time as a volunteer to the Black Single Parent Network. She is also an active member of the Carson Chamber of Commerce.

15. Respondent is the sole supporter of a 7-year old son and a 17-year old daughter. She is very close to her children. Her employer, Mr. Jackson, describes her as honest, and truthful, and an asset to his company. He intends to continue employing respondent as a real estate agent, and he has agreed to supervise her work as her employing broker. He has done this in the past, on three prior occasions, with other restricted license holders. All of those individuals successfully satisfied all the limitations, conditions and restrictions of their respective restricted licenses.

LEGAL CONCLUSIONS

Pursuant to the foregoing factual findings, the Administrative Law Judge makes the following legal conclusions:

1. Cause exists for the suspension or revocation of respondent's real estate salesperson's license under Business and Professions Code Sections 490 and 10177(b), as set forth in Findings 2,3,4,5 and 6, and under Business and Professions Code Sections 498 and 10177(a), as set forth in Findings 8 and 10.

2. Respondent's lack of actual intent to defraud the federal government in connection with her ex-husband's tax fraud activities, as set forth in Findings 4 and 5, is considered to be a mitigating factor in this case.

3. As set forth in Finding 8, respondent has satisfied a number of the Department's own rehabilitation criteria, which are set forth in Section 2912 of the Regulations of the Real Estate Commissioner. Her 1996 conspiracy conviction occurred over two (2) years ago, and was not part of any history of prior or subsequent criminal activities [§2912(a)]. She has since fully paid her fine and assessment, has completed her home detention, and has successfully completed all but the last six months of her probation [§2912(f)]. Respondent has a stable family life, and is very close to her children [§2912(g)]. She has corrected the business practices that led to her 1996 conspiracy conviction [§2912(j)], and she has completely severed all ties with her ex-husband, Mr. Hawkins [§2912(l)]. In the meantime, respondent has earned a reputation as an honest, hard-working real estate professional, for which she has been recognized by both her clients and her employer, and she has stayed current in meeting her continuing education requirements [§2912(h)]. At the same time, she has demonstrated a consistent and significant involvement in the activities of her church and her community, for which she has been recognized by her peers [§2912(k)]. Most importantly, having experienced the consequences of her errors in connection with both her conviction and her failure to disclose that conviction to the Department, respondent has been significantly reinforced in her attitudes about the importance of honesty and accuracy in all her personal and professional activities [§2912(m)].

4. It is clear that discipline is warranted in this case. It is equally clear that no legitimate public interest would be served by any action that would permanently deprive respondent of her real estate salesperson's license. Respondent is clearly remorseful for her past criminal conduct. Indeed, she has made the most of that event to change her attitudes and improve her and her children's lives. As a result, she has remained a dedicated parent, while establishing herself at work and in her community as a caring, trustworthy and hard-working professional. The record in this case clearly supports the conclusion that she is highly unlikely to backslide into any form of dishonest behavior. Her prospects for successful completion of her probation, and for her continued successful rehabilitation, appear to be very good.

5. The purpose of an administrative disciplinary proceeding is to protect the public interest, not to punish the individual. Camacho v. Youde (1979) 95 Cal.App.3d 161,164. The record in this case justifies revocation of respondent's existing license, and issuance of a restricted license. A suspension of respondent's license would significantly interfere with respondent's ability to support her family. By contrast revocation, combined with the issuance of a properly conditioned restricted license, will require respondent to repeat the application process with greater care for the truth and accuracy of the information she provides. It will also subject her to a more stringent requirement that she exercise the greatest possible caution and rectitude in her personal and professional activities. And it will ensure an explicit commitment by her employing broker, or any future employing broker, to

the conscientious supervision of her conduct as a real estate licensee, including supervision of the truth and accuracy of any documents which respondent will in the future prepare and sign as a licensee.

O R D E R

WHEREFORE, THE FOLLOWING ORDER IS HEREBY MADE:

All licenses and licensing rights of respondent Karen Washam Hawkins under the Real Estate Law are revoked; provided, however, a restricted real estate salesperson license shall be issued to respondent pursuant to Business and Professions Code Section 10156.5, upon respondent's application and payment of the required fee within ninety (90) days after the effective date of this Decision. The restricted license so issued to respondent shall be subject to all of the provisions of Business and Professions Code Section 10156.7, and to the following limitations, conditions and restrictions imposed under the authority of Business and Professions Code Section 10156.6:

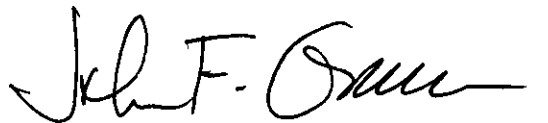
1. The restricted license shall not confer any property right in the privileges to be exercised, and the Real Estate Commissioner may by appropriate Order suspend the restricted license in the event of:
 - (a) The conviction of respondent (including any conviction based upon a plea of no contest) of a crime which is substantially related to respondent's fitness or qualifications as a real estate licensee; or
 - (b) The receipt of evidence satisfactory to the Commissioner that respondent has violated any provisions of the California Real Estate Law, the Subdivided Lands Law, the Regulations of the Real Estate Commissioner or any limitations, conditions or restrictions attaching to the restricted license.
2. Respondent shall not be eligible to apply for either the issuance of an unrestricted real estate license or the removal of any of the limitations, conditions or restrictions attaching to the restricted license until one (1) year has elapsed from the date of issuance of the restricted license to respondent.
3. Respondent shall submit, with any application for license under an employing broker, or with any application for transfer to a new employing real estate broker, a statement signed by the prospective employing broker, on a form approved by the Department, which shall certify as follows:

- (a) That the employing broker has read the Decision which is the basis for the issuance of the restricted license; and
- (b) That the employing broker will carefully review all transaction documents prepared by the restricted licensee, and will otherwise exercise close supervision over the licensee's performance of any and all acts for which a license is required.

4. Respondent shall submit, within one (1) year after the effective date of this Decision, evidence satisfactory to the Real Estate Commissioner that she has, since the most recent issuance or renewal of a real estate license to her, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If respondent fails to satisfy this condition, the Commissioner may by appropriate Order suspend the restricted license until respondent submits such satisfactory evidence. In the event of any such suspension the Commissioner shall afford respondent the opportunity for a hearing to present such evidence under the provisions of the Administrative Procedure Act.

5. Respondent shall, within six months after the effective date of this decision, take and pass the Professional Responsibility Examination administered by the Department, including payment of the required fee. If respondent fails to satisfy this condition, the Commissioner may by appropriate Order suspend respondent's license until respondent passes the examination.

DATED: November 6, 1998



JOHN F. GRANNIS
Administrative Law Judge Pro Tem
Office of Administrative Hearings

SACTO.
Ray

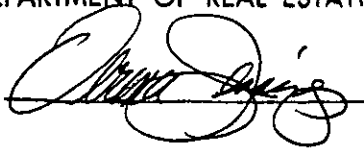
BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

FILED
AUG 31 1998
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of)
)
KAREN WASHAM HAWKINS,)
etc.,)
)
Respondent.)

Case No. H-27787 LA
OAH No. L-1998080406

By 

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 Office of Administrative Hearings, 107 South Broadway, 2nd Floor, Los Angeles, California, on **October 7, 1998**, at the hour of **9:00 a.m.**, 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: August 31, 1998.

cc: Karen Washam Hawkins
Theron Jackson Inc.
Sacto.
OAH

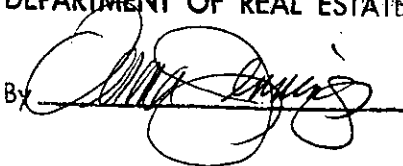
DEPARTMENT OF REAL ESTATE

By: 
V. AHDA SANDS, Counsel

SANDS
Hay

V. AHDA SANDS, Counsel
State Bar No. 146983
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012

(213) 897-3937

FILED
JUL 31 1998
DEPARTMENT OF REAL ESTATE
By 

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H-27787 LA
KAREN WASHAM HAWKINS,)	<u>A C C U S A T I O N</u>
aka Karen Shezuko Hawkins,)	
Respondent.)	

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against KAREN WASHAM HAWKINS (respondent) alleges as follows:

I

Respondent is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) (Code) as a real estate salesperson. Said license is due to expire on October 19, 2001.

II

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in his official capacity.

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III

On or about April 26, 1996, in the United States District Court, Central District of California, respondent was convicted on her plea of guilty to violating Title 18 USC, Section 371 (Conspiracy). The conduct and conviction involves moral turpitude and is substantially related under Section 2910, Title 10, Chapter 6 of the California Code of Regulations, to the qualifications, functions or duties of a real estate licensee. Respondent was placed on probation for a period of three years and was ordered to serve a six month term of home detention with electronic monitoring. One condition of probation was that respondent could not be employed in any capacity wherein she had custody, control or management of her employer's funds.

IV

On or about October 16, 1997, respondent filed her application with the California Department of Real Estate in an attempt to renew her real estate salesperson license. On said application, she was asked "Have you, within the last 3 years, been convicted of any violation of Federal Law?" Respondent replied "No." Relying on this misrepresentation of respondent, the license as renewed.

V

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

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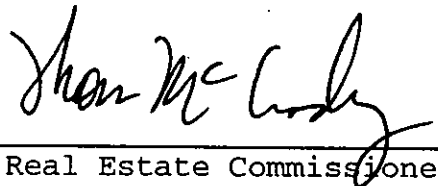


VI

The facts set forth in paragraphs III and IV are further grounds to suspend or revoke the license of respondent pursuant to Sections 498 and 10177(a) of the Code.

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 KAREN WASHAM HAWKINS, aka Karen Shezuko Hawkins, 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 applicable provisions of law.

Dated at Los Angeles, California
this 31st day of July, 1998.


Deputy Real Estate Commissioner

cc: Karen Washam Hawkins
Theron Jackson Inc.
Sacto.
LK

