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Respondents have requested an additional 60 days within which to meet the conditions of the Decision.

Good cause having been shown, the time during which Respondents must complete the conditions described above is hereby extended to May 23, 2008.

This Order shall be effective immediately.

DATED: 3-19-08

JEFF DAVI
Real Estate Commissioner



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FILED
March 20, 2008
DEPARTMENT OF REAL ESTATE

By C. J.

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) No. H-34121 LA
)
COASTAL ALLIANCE HOLDINGS INC., dba)
Coldwell Banker Coastal Alliance Real)
Estate; KRISTINE CONRAD, individually)
and as designated broker-officer of)
Coastal Alliance Holdings Inc.;)
JAMES PETER ITALIANO; and)
JACK D. IRVIN,)
)
Respondents.)

ORDER EXTENDING TIME

On February 4, 2008, a Decision was rendered herein suspending the real estate license of Respondent JACK D. IRVIN. The suspension may be stayed upon payment of penalties by Respondent on or before the effective date of the Decision, March 13, 2008. The Decision was stayed by separate Order, and now becomes effective on March 24, 2008.

Respondent has requested an additional 60 days within which to meet the conditions of the Decision.

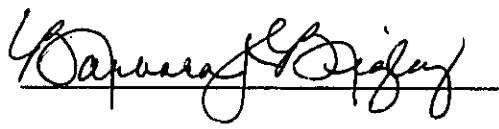
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Good cause having been shown, the time during which Respondent must complete the conditions described above is hereby extended to May 23, 2008.

This Order shall be effective immediately.

DATED: 3-19-08

JEFF DAVI
Real Estate Commissioner



A handwritten signature in cursive script, appearing to read 'Jeff Davi', is written over a horizontal line.

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The Decision of February 4, 2008, shall become effective at 12 o'clock noon on March 24, 2008.

DATED: February 29, 2008.

JEFF DAVI
Real Estate Commissioner

By: Dolores Weeks
DOLORES WEEKS
Regional Manager

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The Decision of February 4, 2008, shall become effective at 12 o'clock noon on March 24, 2008.

DATED: February 29, 2008.

JEFF DAVI
Real Estate Commissioner

By: *Dolores Weeks*
DOLORES WEEKS
Regional Manager

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. Respondent has received, read and understands 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 July 31, 2007, Respondent filed a Notice of
9 Defense pursuant to Section 11506 of the Government Code for
10 the purpose of requesting a hearing on the allegations in the
11 Accusation. In order to effectuate this settlement, Respondent
12 hereby freely and voluntarily withdraws said Notice of Defense.
13 Respondent acknowledges that he understands that by withdrawing
14 said Notice of Defense, he will thereby waive his 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 he will waive other rights
18 afforded to him in connection with the hearing such as the
19 right to present evidence in defense of the allegations in the
20 Accusation and the right to cross-examine witnesses.

21 4. Respondent, pursuant to the limitations set forth
22 below, although not admitting or denying the truth of the
23 allegations, will not contest the factual allegations contained
24 in the Accusation filed in this proceeding and the Real Estate
25 Commissioner shall not be required to provide further evidence
26 of such allegations.

27

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 Respondent's real estate license and license
5 rights as set forth in the below "Order". 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 Respondent 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 stipulation or waiver made
11 herein.

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

19 7. This Stipulation and Respondent's decision not to
20 contest the Accusation are made for the purpose of reaching an
21 agreed disposition of this proceeding, and are expressly
22 limited to this proceeding and any other proceeding or case in
23 which the Department of Real Estate ("Department"), or another
24 licensing agency of this state, another state or if the federal
25 government is involved and otherwise shall not be admissible in
26 any other criminal or civil proceedings.

27 ///

1 DETERMINATION OF ISSUES

2 By reason of the foregoing stipulations and waivers
3 and solely for the purpose of settlement of the pending
4 Accusation without a hearing, it is stipulated and agreed that
5 the following Determination of Issues shall be made:

6 The conduct, acts or omissions of Respondent JACK D.
7 IRVIN, as set forth in the Accusation, constitute cause to
8 suspend or revoke the real estate license and licensing rights
9 of Respondent JACK D. IRVIN under the provisions of Code
10 Sections 10177(d).

11 ORDER

12 WHEREFORE, THE FOLLOWING ORDER is hereby made:

13 A. All licenses and licensing rights of Respondent
14 JACK D. IRVIN under the Real Estate Law shall be suspended for
15 ninety (90) days from the effective date of this Decision;
16 provided, however, that sixty (60) days of said suspension
17 shall be stayed for two (2) years upon the following terms and
18 conditions:

19 1. Respondent shall obey all laws, rules and
20 regulations governing the rights, duties and responsibilities
21 of a real estate licensee in the State of California; and

22 2. That no final subsequent determination be made,
23 after hearing or upon stipulation, that cause for disciplinary
24 action occurred within two (2) years of the effective date of
25 this Decision. Should such a determination be made, the
26 Commissioner may, in his discretion, vacate and set aside the
27 stay order and reimpose all or a portion of the stayed

1 suspension. Should no such determination be made, the stay
2 imposed herein shall become permanent.

3 B. As to the remaining 30 days of said 90 day
4 suspension, all licenses and licensing rights of Respondent
5 JACK D. IRVIN shall be suspended for a period of 30 days from
6 the effective date of this decision; provided, however, that if
7 Respondent petitions, the remaining 30 days of said 90 day
8 suspension shall be stayed upon condition that:

9 1. Respondent pays a monetary penalty pursuant to
10 Section 10175.2 of the Business and Professions Code of
11 \$10,000.00.

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


17 3. No further cause for disciplinary action against
18 the real estate license of Respondent occurs within two years
19 from the effective date of the Decision in this matter.

20 4. If Respondent fails to pay the monetary penalty
21 in accordance with the terms and conditions of the Decision,
22 the Commissioner may, without a hearing, order the immediate
23 execution of all or any part of the stayed suspension in which
24 event the Respondent shall not be entitled to any repayment nor
25 credit, prorated or otherwise, for the money paid to the
26 Department under the terms of this Decision.

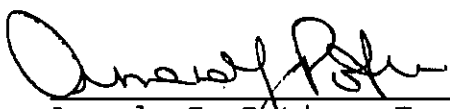
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1 electronically sending to the Department a fax copy of his actual
2 signature as it appears on the Stipulation, that receipt of the
3 faxed copy by the Department shall be as binding on Respondent as
4 if the Department had received the original signed Stipulation
5 and Agreement.

6
7 DATED: 11-30-07


JACK D. IRVIN
Respondent

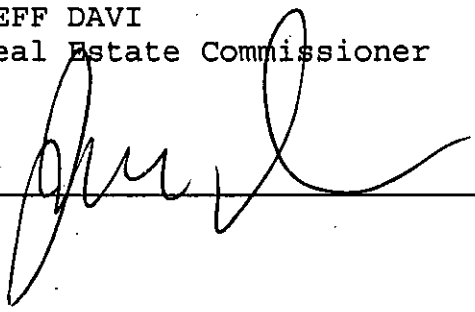
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9
10 DATED: 11-30-07


Amanda J. Potier, Esq.
Counsel for Respondent

11
12
13 * * *

14
15 The foregoing Stipulation and Agreement is hereby
16 adopted as my Decision in this matter and shall become
17 effective at 12 o'clock noon on ~~MAR 13 2008~~

18 IT IS SO ORDERED FEB -4 2008

19 JEFF DAVI
Real Estate Commissioner


1 Department of Real Estate
320 West Fourth Street, #350
2 Los Angeles, California 90013

3 (213) 576-6982
4 (213) 620-6430

FILED
FEB 22 2008
DEPARTMENT OF REAL ESTATE

By cr

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	No. H-34121 LA
12)	L-2007090120
13	<u>COASTAL ALLIANCE HOLDINGS INC., dba</u>)	
14	Coldwell Banker Coastal Alliance Real)	<u>STIPULATION AND</u>
15	Estate; <u>KRISTINE CONRAD</u> , individually))	<u>AGREEMENT</u>
16	and as designated broker-officer of)	
17	Coastal Alliance Holdings Inc.;)	
18	JAMES PETER ITALIANO; and)	
19	JACK D. IRVIN,)	
20)	
21	<u>Respondents.</u>)	

18 It is hereby stipulated by and between COASTAL
19 ALLIANCE HOLDINGS INC., dba Coldwell Banker Coastal Alliance
20 Real Estate (sometimes referred to herein as "Respondent
21 COASTAL ALLIANCE"); and KRISTINE CONRAD (sometimes referred to
22 herein as "Respondent CONRAD"), individually and as designated
23 broker-officer of COASTAL ALLIANCE, both represented by Amanda
24 J. Potier, and the Complainant, acting by and through Martha J.
25 Rosett, Counsel for the Department of Real Estate, as follows
26 for the purpose of settling and disposing of the Accusation
27 filed on July 18, 2007 in this matter:

1 1. All issues which were to be contested and all
2 evidence which was to be presented by Complainant and
3 Respondents at a formal hearing on the Accusation, which
4 hearing was to be held in accordance with the provisions of the
5 Administrative Procedure Act (APA), shall instead and in place
6 thereof be submitted solely on the basis of the provisions of
7 this Stipulation and Agreement.

8 2. Respondents have received, read and understand
9 the Statement to Respondent, the Discovery Provisions of the
10 APA and the Accusation filed by the Department of Real Estate
11 in this proceeding.

12 3. On July 31, 2007, Respondents filed Notices of
13 Defense pursuant to Section 11506 of the Government Code for
14 the purpose of requesting a hearing on the allegations in the
15 Accusation. In order to effectuate this settlement,
16 Respondents hereby freely and voluntarily withdraw said Notices
17 of Defense. Respondents acknowledge that they understand that
18 by withdrawing said Notices of Defense, they will thereby waive
19 their rights to require the Commissioner to prove the
20 allegations in the Accusation at a contested hearing held in
21 accordance with the provisions of the APA and that they will
22 waive other rights afforded to them in connection with the
23 hearing such as the right to present evidence in defense of the
24 allegations in the Accusation and the right to cross-examine
25 witnesses.

26 4. Respondents, pursuant to the limitations set
27 forth below, although not admitting or denying the truth of the

1 allegations, will not contest the factual allegations contained
2 in the Accusation filed in this proceeding and the Real Estate
3 Commissioner shall not be required to provide further evidence
4 of such allegations.

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

16 6. The Order or any subsequent Order of the Real
17 Estate Commissioner made pursuant to this Stipulation and
18 Agreement shall not constitute an estoppel, merger or bar to
19 any further administrative proceedings by the Department of
20 Real Estate with respect to any matters which were not
21 specifically alleged to be causes for accusation in this
22 proceeding.

23 7. This Stipulation and Respondents' decision not to
24 contest the Accusation are made for the purpose of reaching an
25 agreed disposition of this proceeding, and are expressly
26 limited to this proceeding and any other proceeding or case in
27 which the Department of Real Estate ("Department"), or another

1 licensing agency of this state, another state or if the federal
2 government is involved and otherwise shall not be admissible in
3 any other criminal or civil proceedings.

4 DETERMINATION OF ISSUES

5 By reason of the foregoing stipulations and waivers
6 and solely for the purpose of settlement of the pending
7 Accusation without a hearing, it is stipulated and agreed that
8 the following Determination of Issues shall be made:

9 1. The conduct, acts or omissions of Respondent
10 COASTAL ALLIANCE HOLDINGS INC., as set forth in the Accusation,
11 constitute cause to suspend or revoke the real estate license
12 and license rights of Respondent COASTAL ALLIANCE HOLDINGS
13 INC., under the provisions of Business and Professions Code
14 ("Code") Section 10177(d).

15 2. The conduct, acts or omissions of Respondent
16 KRISTINE CONRAD, as set forth in the Accusation, constitute
17 cause to suspend or revoke the real estate license and license
18 rights of Respondent KRISTINE CONRAD under the provisions of
19 Code Sections 10177(d) and 10177(h).

20 ORDER

21 WHEREFORE, THE FOLLOWING ORDER is hereby made:

22 A. All licenses and licensing rights of Respondent
23 COASTAL ALLIANCE HOLDINGS INC. and Respondent KRISTINE CONRAD
24 under the Real Estate Law are suspended for a period of ninety
25 (90) days from the effective date of this Decision; provided,
26 however, that sixty (60) days of said suspension shall be

1 stayed for two (2) years upon the following terms and
2 conditions:

3 1. Respondents shall obey all laws, rules and
4 regulations governing the rights, duties and responsibilities
5 of a real estate licensee in the State of California; and

6 2. That no final subsequent determination be made,
7 after hearing or upon stipulation, that cause for disciplinary
8 action occurred within two (2) years of the effective date of
9 this Decision. Should such a determination be made, the
10 Commissioner may, in his discretion, vacate and set aside the
11 stay order and reimpose all or a portion of the stayed
12 suspensions. Should no such determination be made, the stay
13 imposed herein shall become permanent.

14 B. As to the remaining 30 days of said 90 day
15 suspensions, all licenses and licensing rights of Respondent
16 COASTAL ALLIANCE HOLDINGS INC. and Respondent KRISTINE CONRAD
17 shall be suspended for a period of 30 days from the effective
18 date of this decision; provided, however, that if either
19 Respondent petitions, the remaining 30 days of said 90 day
20 suspension shall be stayed upon condition that:

21 1. Respondents pay a monetary penalty pursuant to
22 Section 10175.2 of the Business and Professions Code at the
23 rate of \$10,000.00 per Respondent.

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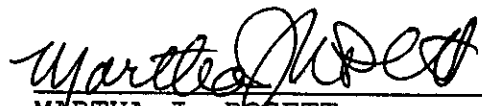
1 Department prior to the effective date of the Decision in this
2 matter.

3 3. No further cause for disciplinary action against
4 the real estate licenses of Respondents occurs within two years
5 from the effective date of the Decision in this matter.

6 4. If Respondents fail to pay the monetary penalty
7 in accordance with the terms and conditions of the Decision,
8 the Commissioner may, without a hearing, order the immediate
9 execution of all or any part of the stayed suspension in which
10 event the Respondents shall not be entitled to any repayment
11 nor credit, prorated or otherwise, for the money paid to the
12 Department under the terms of this Decision.

13 5. If Respondents pay the monetary penalty and if no
14 further cause for disciplinary action against the real estate
15 licenses of Respondents occurs within two years from the
16 effective date of the Decision, the stay hereby granted shall
17 become permanent.

18 DATED: 11/30/07


19 MARTHA J. ROSETT
20 Counsel for Complainant

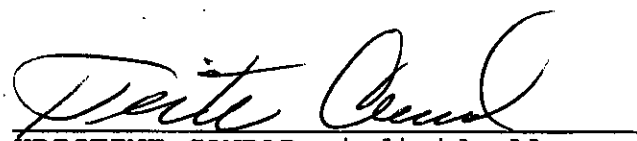
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22 We have read the Stipulation and Agreement, have
23 discussed it with our counsel, and its terms are understood by
24 us and are agreeable and acceptable to us. We understand that
25 we are waiving rights given to us by the California
26 Administrative Procedure Act (including but not limited to
27 Sections 11506, 11508, 11509 and 11513 of the Government Code).

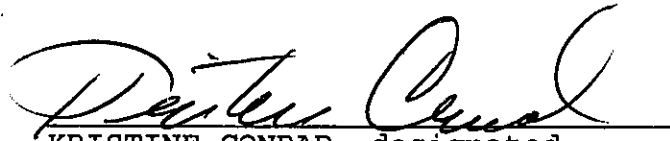
1 and we willingly, intelligently and voluntarily waive those
2 rights, including the right of requiring the Commissioner to
3 prove the allegations in the Accusation at a hearing at which
4 we would have the right to cross-examine witnesses against us
5 and to present evidence in defense and mitigation of the
6 charges.

7 Respondents may signify acceptance and approval of the
8 terms and conditions of this Stipulation and Agreement by faxing
9 a copy of its signature page, as actually signed by Respondents,
10 to the Department at the following fax number (213) 576-6917.
11 Respondents agree, acknowledge and understand that by
12 electronically sending to the Department a fax copy of their
13 actual signatures as they appear on the Stipulation, that receipt
14 of the faxed copy by the Department shall be as binding on
15 Respondents as if the Department had received the original signed
16 Stipulation and Agreement.


17
18 DATED: 11/30/07


KRISTINE CONRAD, individually,
Respondent

19
20
21 DATED: 11/30/07


KRISTINE CONRAD, designated
broker-officer, on behalf of
Respondent COASTAL ALLIANCE
HOLDINGS INC.

22
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24
25 DATED: 11/30/07


Amanda J. Potier, Esq.
Counsel for Respondent

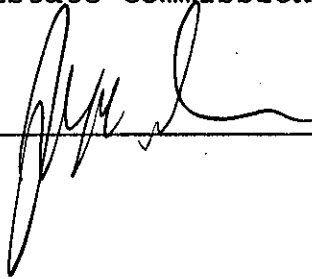
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The foregoing Stipulation and Agreement is hereby
adopted as my Decision in this matter and shall become
effective at 12 o'clock noon on MAR 13 2008.

IT IS SO ORDERED 2-4-08.

JEFF DAVI
Real Estate Commissioner



1 MARTHA J. ROSETT, Counsel (SBN 142072)
2 Department of Real Estate
3 320 West Fourth St., #350
4 Los Angeles, CA 90013

5 (213) 576-6982
6 (213) 620-6430

FILED
JUL 18 2007
DEPARTMENT OF REAL ESTATE

By CB

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11 In the Matter of the Accusation of) No. H-34121 LA
12)
13 COASTAL ALLIANCE HOLDINGS INC., dba) A C C U S A T I O N
14 Coldwell Banker Coastal Alliance Real)
15 Estate; KRISTINE CONRAD, individually)
16 and as designated broker-officer of)
17 Coastal Alliance Holdings Inc.;)
18 JAMES PETER ITALIANO; and)
19 JACK D. IRVIN,)
20)
21 Respondents.)

22 The Complainant, Janice Waddell, a Deputy Real Estate
23 Commissioner, for cause of Accusation against COASTAL ALLIANCE
24 HOLDINGS INC., dba Coldwell Banker Coastal Alliance Real Estate;
25 KRISTINE CONRAD, individually and as designated broker-officer of
26 Coastal Alliance Holdings Inc.; JAMES PETER ITALIANO; and JACK D.
27 IRVIN, is informed and alleges as follows:

1.

The Complainant, Janice Waddell, a Deputy Real Estate
Commissioner of the State of California, makes this Accusation in

her official capacity.

2.

Respondent COASTAL ALLIANCE HOLDINGS INC. (hereinafter "COASTAL ALLIANCE") is presently licensed and at all times relevant herein was licensed by the Department of Real Estate of the State of California ("Department") under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereinafter "Code") as a corporate real estate broker.

Respondent COASTAL ALLIANCE was originally licensed by the Department as a corporate real estate broker on or about April 27, 2004.

3.

At all times relevant herein, Respondent COASTAL ALLIANCE was and is authorized to act as a real estate broker by and through Respondent KRISTINE CONRAD as the designated officer and broker responsible, pursuant to the provisions of Code Section 10159.2, for the supervision and control of the activities conducted on behalf of Respondent COASTAL ALLIANCE by Respondent COASTAL ALLIANCE's officers and employees. At all times relevant herein, additional broker-officers of COASTAL ALLIANCE include Respondent JAMES PETER ITALIANO, as well as real estate brokers Phillip Wendell Jones Jr. and Stephen Michael Murphy.

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4.

1 Beginning on or about April 17, 1995, and continuing
2 through on or about May 6, 2005, Prestige Realty Inc. ("Prestige
3 Realty") was licensed as a corporate real estate broker.
4 Prestige Realty's corporate real estate broker license expired on
5 May 6, 2005. From on or about May 7, 2001, and continuing
6 through on or about May 6, 2004, Prestige Realty was authorized
7 to act as a real estate broker by and through Respondent JAMES
8 PETER ITALIANO as the designated officer and broker responsible,
9 pursuant to the provisions of Code Section 10159.2, for the
10 supervision and control of the activities conducted on behalf of
11 Prestige Realty its officers and employees. From on or about May
12 7, 2004 through the expiration of its license on or about May 6,
13 2005, Prestige Realty was authorized to act as a real estate
14 broker by and through KRISTINE CONRAD as the designated officer
15 and broker responsible, pursuant to the provisions of Code
16 Section 10159.2, for the supervision and control of the
17 activities conducted on behalf of Prestige Realty by its officers
18 and employees.
19
20

5.

21
22 On or about May 7, 2004, Respondent CONRAD replaced
23 Respondent ITALIANO as the designated broker-officer of Prestige
24 Realty. On or about June 10, 2004, Prestige was acquired by
25 Respondent COASTAL ALLIANCE, and COASTAL ALLIANCE assumed
26 management, control and operation of the realty business formerly
27

known as Prestige Realty Inc.

6.

Respondent JAMES D. IRVIN is the Chief Executive Officer of COASTAL ALLIANCE, and is employed as a real estate salesperson under COASTAL ALLIANCE's corporate broker license. Respondent JAMES P. ITALIANO is the Chief Financial Officer of COASTAL ALLIANCE, and is a broker-officer, authorized to act on behalf of the real estate corporation. Respondent KRISTINE CONRAD is the Secretary of COASTAL ALLIANCE, and is the broker-officer designated under Business and Professions Code Section 10159.2 to be responsible under the real estate law for the supervision and control of the activities conducted on behalf the corporation by its employees, directors, and officers.

7.

At all times relevant herein, Respondent KRISTINE CONRAD (hereinafter "CONRAD") was and is licensed by the Department as a real estate broker. Respondent CONRAD was originally licensed by the Department as a real estate broker on or before July 7, 1994. Beginning on or about April 27, 2004, and continuing until the present time, Respondent CONRAD was and is licensed by the Department the broker-officer of Respondent COASTAL ALLIANCE designated pursuant to Code Section 10159.2 to be responsible for the supervision and control of the activities conducted on behalf of Respondent COASTAL ALLIANCE by its officers and employees as necessary to secure full compliance

1 with the Real Estate Law. Between May 3, 2004 and May 7, 2005,
2 Respondent CONRAD was also the broker-officer of Prestige Realty
3 Inc. designated to be responsible for the supervision and control
4 of activities conducted on behalf of Prestige Realty by its
5 officers and employees as necessary to secure full compliance
6 with the Real Estate Law. At all times relevant herein,
7 Respondent CONRAD was the corporate secretary of COASTAL
8 ALLIANCE, Prestige Realty Inc., and Prestige Asset Management,
9 Inc.

10 8.

11 At all times relevant herein, Respondent JAMES PETER
12 ITALIANO (hereinafter "ITALIANO") was and is licensed by the
13 Department as a real estate broker. Respondent ITALIANO was
14 originally licensed by the Department as a real estate broker on
15 or before October 6, 1992. Beginning on or about October 4,
16 2004, and continuing until the present time, Respondent ITALIANO
17 was and is licensed by the Department as a broker-officer of
18 COASTAL ALLIANCE authorized to act on its behalf. Between May 1,
19 2001 and May 3, 2004, Respondent ITALIANO was also the broker-
20 officer of Prestige Realty Inc. designated to be responsible for
21 the supervision and control of activities conducted on behalf of
22 Prestige Realty Inc. by its officers, employees, and agents as
23 necessary to secure full compliance with the Real Estate Law. At
24 all times relevant herein, Respondent ITALIANO was the Chief
25 Financial Officer and/or treasurer of Respondent COASTAL
26
27

1 ALLIANCE, of Prestige Realty Inc., and of Prestige Asset
2 Management Inc.

3 9.

4 At all times relevant herein, Respondent JACK D. IRVIN
5 (hereinafter "Respondent IRVIN") was and is licensed by the
6 Department as a real estate salesperson. Respondent IRVIN was
7 first licensed as a real estate salesperson in 1984. Between
8 June 13, 1995 and June 14, 2004, Respondent IRVIN was licensed as
9 a real estate salesperson working under broker Prestige Realty
10 Inc. Between June 15, 2004 and the present time, Respondent
11 IRVIN was and is licensed as a salesperson under broker
12 Respondent COASTAL ALLIANCE. At all times relevant herein,
13 Respondent IRVIN also was the President and/or Chief Executive
14 Officer of COASTAL ALLIANCE, of Prestige Realty Inc., and of
15 Prestige Management Assets.

16
17 10.

18 At all times relevant herein, Prestige Asset
19 Management, Inc. was and is a California corporation. Prestige
20 Asset Management Inc. is not licensed in California as a real
21 estate broker. Respondent IRVIN is the Chief Executive Officer
22 of Prestige Asset Management Inc., Respondent ITALIANO is its
23 Chief Financial Officer, and Respondent CONRAD is its Secretary.

24 11.

25 At all times material herein, Respondents COASTAL
26 ALLIANCE, CONRAD, ITALIANO, and IRVIN (collectively referred to
27

1 herein as "Respondents"), engaged in the business of, acted in
2 the capacity of, advertised or assumed to act as real estate
3 brokers within the meaning of Code Section 10131(a), representing
4 another or others in the purchase, sale or exchange of real
5 property and performing escrow services in relation to those
6 transactions pursuant to Financial Code Section 10076(a)(4).

7
8 12.

9 All further references to "Respondents", unless
10 otherwise specified, include the parties identified in Paragraphs
11 2 through 9 above, and also include the employees, agents and
12 real estate licensees employed by or associated with said
13 parties, who at all times herein mentioned were engaged in the
14 furtherance of the business or operations of said parties and who
15 were acting within the course and scope of their authority and
16 employment.

17 UNLAWFUL REFERRAL OF CUSTOMERS FOR COMPENSATION

18 (Business and Professions Code Section 10177.4)

19 "Participation Agreement"

20 13.

21 Beginning on or about April 1, 2004, and continuing
22 through on or about February 15, 2005, Respondents, and each of
23 them, in connection with their real estate sales activities set
24 forth in Paragraph 11 above, engaged in a reinsurance program
25 with Fidelity National Group of Insurers, and its affiliates,
26 including Fidelity Title, Chicago Title, and Ticor Title
27 (hereafter collectively referred to as "FNF"). Pursuant to this

1 agreement, in connection with the sales of homes brokered by
2 Respondents, the title companies would issue title insurance
3 policies, and in exchange, Respondents would receive compensation
4 in the form of reinsurance "premiums" and additional periodic
5 distributions of capital.

6 14.

7 Specifically, on or about April 1, 2004, Respondent
8 IRVIN, as CEO of Prestige Asset Management, executed a
9 "Participation Agreement" with FNF. Pursuant to the
10 Participation Agreement, Respondents would receive a percentage
11 of the premium paid to FNF for every real estate transaction in
12 which the parties purchased title insurance from one of the FNF
13 affiliates. Under this Participation Agreement, Respondents paid
14 a one time \$10,000 "Participation Fee", an annual "Participant
15 Expense Fee" of \$10,000, and a security deposit of \$25,000.
16 Pursuant to a subsequent "Reinsurance Agreement," Respondent
17 agreed to assume 15% liability for title insurance losses, if
18 any, from real estate transactions generated by Respondent
19 COASTAL ALLIANCE, as "reinsurance." In exchange, FNF and/or its
20 affiliates would pay Respondent COASTAL ALLIANCE 15% of the title
21 insurance premiums collected per transaction, plus a \$350.00
22 processing fee, per transaction.

23 15.

24 In 2005, the California Department of Insurance (DOI)
25 held public hearings relating to the business practice of
26 entering into the types of reinsurance agreements described
27 above. At these hearings, it was determined that the typical

1 loss ratio as to title insurance is three to five percent. DOI
2 found that there is in fact little or no risk transferred to the
3 reinsurer (such as, in this case, the real estate broker) in
4 exchange for the portion of premium they are collecting.
5 Further, DOI found that in California, the normal practice is not
6 to have a reinsurer in connection with title business. DOI
7 determined that the reinsurance agreements of the type entered
8 into between FNF and related affiliates and Respondents were not
9 legitimate reinsurance agreements. Rather, these agreements were
10 created as part of a scheme under which title insurers were
11 paying real estate brokers illegal rebates - in the form of
12 "premiums" on fictitious reinsurance paid to captive reinsurers -
13 in exchange for the brokers channeling business to the title
14 companies.

15 16.

16 On or about December 22, 2004, for the period between
17 June of 2004 and November of 2004, Respondent COASTAL ALLIANCE
18 received distributions of \$21,593.44 as compensation for
19 referrals parties to FNF and FNF affiliates as a result of real
20 property purchase and sale transactions negotiated by Respondent
21 COASTAL ALLIANCE.

22 17.

23 The conduct, acts and/or omissions of Respondent
24 COASTAL ALLIANCE as set forth in Paragraphs 13 through 16 above
25 are in violation of Code Section 10177.4, and constitute grounds
26 to suspend or revoke Respondent COASTAL ALLIANCE's real estate
27 broker license pursuant to Business and Professions Code Sections

1 10177(d) and 10177(g) for claiming, demanding or receiving
2 commissions, fees or other consideration from a title insurance
3 company for referral of customers to the title insurance company.

4 18.

5 The conduct, acts and/or omissions of Respondent IRVIN,
6 Respondent CONRAD, and Respondent ITALIANO, as set forth in
7 Paragraphs 13 through 16 above are in violation of Code Section
8 10177.4, and constitute grounds to suspend or revoke Respondents'
9 real estate licenses and/or license rights pursuant to Business
10 and Professions Code Sections 10177(g) and/or 10177(d).

11 19.

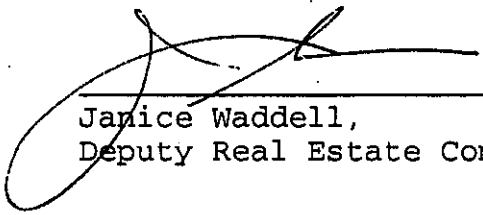
12 The conduct, acts and/or omissions of Respondents
13 COASTAL ALLIANCE, IRVIN, CONRAD, and ITALIANO, in claiming or
14 taking a secret or undisclosed amount of compensation, commission
15 or profit in relation to the referral of customers to FNF
16 affiliated title insurance companies constitutes grounds to
17 discipline Respondents' real estate licenses and/or licensing
18 rights pursuant to Business and Professions Code Sections
19 10176(g) and/or 10177(j).

20 20.

21 The failure of Respondent CONRAD to ensure Respondent
22 COASTAL ALLIANCE's full compliance with the Real Estate Law, as
23 set forth in Paragraphs 13 through 16 above, in violation of Code
24 Section 10159.2, constitutes grounds to discipline the broker
25 license and license rights of Respondent CONRAD, pursuant to Code
26 Sections 10177(d), 10177(g) and/or 10177(h), for failing to
27

1 exercise required supervision over the activities of the
2 officers, employees and agents of Respondent COASTAL ALLIANCE.
3 WHEREFORE, Complainant prays that a hearing be
4 conducted on the allegations of this Accusation and that upon
5 proof thereof, a decision be rendered imposing disciplinary
6 action against all licenses and/or license rights of Respondent
7 COASTAL ALLIANCE HOLDINGS, INC., a corporate real estate broker;
8 Respondent KRISTINE CONRAD, individually and as designated
9 officer-broker of COASTAL ALLIANCE HOLDINGS, INC.; Respondent
10 JAMES PETER ITALIANO; and Respondent JACK D. IRVIN; and for such
11 other and further relief as may be proper under applicable
12 provisions of law.

13 Dated at Los Angeles, California
14 this 14 day of July, 2007.

15
16
17 
18 Janice Waddell,
19 Deputy Real Estate Commissioner

20
21
22
23 cc: COASTAL ALLIANCE HOLDINGS, INC.
24 KRISTINE CONRAD
25 JAMES PETER ITALIANO
26 JACK D. IRVIN
27 Janice Waddell
Sacto.