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MAY 17 2012

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE
BY: Shirley Valencia

* * * *

In the Matter of the Accusation of)	No. H-37413 LA
)	2011080776
CHARIS FINANCIAL, INC.,)	
CHRISTOPHER PAUL DIAZ, and)	
LAURA CHRISTINE SPENCER,)	
)	
Respondents.)	
_____)	

DECISION

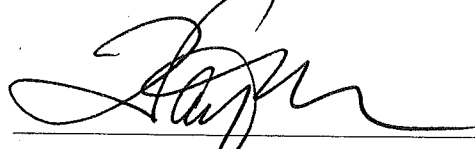
The Proposed Decision dated March 23, 2012, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

This Decision shall become effective at 12 o'clock
noon on JUN 06 2012.

IT IS SO ORDERED

May 3, 2012

Real Estate Commissioner



By WAYNE S. BELL
Chief Counsel

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of:

CHARIS FINANCIAL, INC.,
CHRISTOPHER PAUL DIAZ, and
LAURA CHRISTINE SPENCER,

Respondents.

Agency Case No. H-37413 LA

OAH Case No. 2011080776

PROPOSED DECISION

Daniel Juárez, Administrative Law Judge, Office of Administrative Hearings, heard this matter on February 22 and 23, 2012, in Los Angeles, California.

James Demus, Staff Counsel, represented Deputy Real Estate Commissioner Robin L. Trujillo (Complainant).

Prenovost, Normandin, Bergh & Dawe, and Benjamin K. Griffin, represented Christopher Paul Diaz (Respondent Diaz) and Charis Financial, Inc. (Respondent Charis). Respondent Diaz was present.

Oakley & Trostad, and Randal Scott Oakley, represented Laura Christine Spencer (Respondent Spencer). Respondent Spencer was present.

Kayo Alexander, Court Certified Interpreter, provided language interpretation services to a witness.

Complainant amended the Accusation at hearing. At page 2, line 24, the name, "Kane Takamuro," was changed to read, "Kanae Takamuro." Respondents did not object. Pursuant to Government Code section 11507, the amendment was accepted.

The parties submitted the matter for decision on February 23, 2012.

STATEMENT OF THE CASE

Complainant seeks discipline against all three Respondents' real estate licenses for fraud or dishonest dealing, making substantial misrepresentations, willfully disregarding or violating the real estate statutes and regulations, and demonstrating negligence or incompetence, in their dealings regarding the sale of real property in Irvine, California, in 2008.

Respondents deny any wrongdoing and seek the dismissal of the Accusation.

FACTUAL FINDINGS

1. On July 27, 2011, Complainant, acting in her official capacity, filed the Accusation. Respondents Charis and Diaz filed Notices of Defense on August 5, 2011. Respondent Spencer filed a Notice of Defense on August 9, 2011.

2. The Department of Real Estate (Department) issued real estate corporation license number C/01840546 to Respondent Charis on February 11, 2008. The evidence established that the license expired on February 10, 2012. There was no evidence of renewal. Even if the license expired, however, the Department retains jurisdiction over Respondent Charis's license, pursuant to Business and Professions Code section 10103.

3. The Department issued real estate salesperson license number S/01247100 to Respondent Diaz on December 4, 1998. The evidence established that Respondent Diaz's license expired on January 7, 2012. There was no evidence of renewal. As in the case of Respondent Charis, the Department retains jurisdiction over Respondent Diaz's license, pursuant to the same statutory provision noted in Factual Finding 2.

4. The Department issued real estate salesperson license number S/01701977 to Respondent Spencer on August 30, 2005; it expires on August 29, 2013.

5. Respondent Diaz is the president of Respondent Charis.

6. In early May 2008, Respondent Diaz met Fredy Moza (Moza). Moza owned a condominium in Irvine, California, but he could not afford the monthly payments. Moza was behind in his payments by approximately six months. Moza met with Respondent Diaz to discuss the foreclosure process. Respondent Diaz advised Moza to consider a short sale and told Moza that a short sale, in his opinion, was a better outcome than foreclosure. Moza agreed. Moza and Respondents Charis and Diaz prepared a short sale package to present to the lender bank for approval.

7. Respondent Diaz desired to purchase the Moza condominium (through Respondent Charis), improve it, and sell it for a profit.

8. On May 10, 2008, Respondent Charis and Moza entered into a written agreement; Moza was to sell the condominium (hereafter, "the property") to Respondent Charis. Since the transaction was a short sale, the lender bank was still required to approve the purchase. The written agreement, signed by Respondent Diaz and Moza, did not specify any offer or purchase price and did not describe the property. At hearing, Respondent Diaz explained that the absence of a purchase price was a clerical error.

9. On or about May 15, 2008, Respondent Spencer met with Moza to discuss the listing of the property in case the lender bank did not approve the purchase agreement with Respondents Charis and Diaz. Respondent Spencer was aware of the agreement between Moza and Respondent Charis. Respondent Spencer is a real estate salesperson working for T.N.G. Real Estate Consultants. Moza authorized Respondent Spencer to list the property as a short sale; the listing price was \$375,000.

10. At hearing, Moza described his interactions with Respondents Diaz and Spencer. Moza exhibited a significant lack of knowledge regarding all of the transactions surrounding the sale of his condominium. Moza explained that he was depressed and anxious about his inability to afford the property and the impending foreclosure. He believed a short sale was to his benefit, in contrast to foreclosure, and wanted to sell the property immediately. He did not care to whom it was sold, he did not pay close attention to the short sale documents prepared on his behalf, and he did not read them with care. He trusted Respondents and told Respondents Diaz and Spencer separately that he solely wanted to sell the property as soon as possible. There was no evidence that Respondents coerced Moza into the agreements with Respondents.

11. Kanae Takamuro and her husband (the Takamuros) sought to purchase a property close to the University of California, at Irvine. Kimiko Fujimaki (Fujimaki) was the Takamuro's real estate agent. Fujimaki and the Takamuros found the property and wished to purchase it. They understood it was a short sale and the Takamuros intended to make a cash offer.

12. On June 21, 2008, Fujimaki submitted a \$340,000 offer to Respondent Spencer on behalf of the Takamuros. Fujimaki sent the offer by facsimile. Respondent Spencer did not inform Moza about the Takamuro's offer; however, Respondent Spencer telephoned Fujimaki and told her that Moza had another offer pending. Respondent Spencer explained that she could not accept the Takamuro's offer at that time, but she could hold the offer as a "back up."

13. At hearing, Fujimaki's testimony contradicted that of Respondent Spencer's testimony. According to Fujimaki, Respondent Spencer never contacted Fujimaki after Fujimaki sent Respondent Spencer the first offer. Fujimaki's testimony is deemed less credible than Respondent Spencer's testimony on this point. Fujimaki appeared confused during her testimony. She was unclear, hesitant, and did not demonstrate good knowledge about the pertinent transactional documents or the sale process involving the property. For these reasons, Fujimaki's testimony that Respondent Spencer did not talk to her or explain to her that Moza had an earlier pending offer was not trustworthy.

14. On July 6, 2008, Fujimaki submitted a second offer, a \$370,000 offer on behalf of the Takamuros. Respondent Spencer did not notify Moza about this second offer. Having explained Moza's situation to Fujimaki previously, Respondent Spencer was confused by the Takamuro's second offer, but she did not respond to Fujimaki.

15. With no responsive counter offer, Fujimaki telephoned Respondent Spencer. Respondent Spencer again explained to Fujimaki that Moza had another offer pending and again told Fujimaki that she could only hold the Takamuro's offer as a back up offer. Fujimaki repeatedly expressed to Respondent Spencer the Takamuro's urgent and immediate desire to purchase the property.

16. At hearing, Respondent Spencer explained her considerations at the time. Because it was a short sale, where Moza was considerably in arrears, whether Moza sold the property to the Takamuro's for the first or second purchase offers, Moza would not receive any money; it would all go to the lender bank. For this reason, and because Respondent Charis's earlier offer was pending bank approval, Respondent Spencer did not inform Moza of the Takamuro's offers. She wanted to hold the Takamuro's offer as a back up offer in case the lender bank did not approve the Moza-Respondent Charis transaction and sought to help Moza avoid foreclosure. Respondent Spencer also argued that she could not advise Moza to accept either of the Takamuro's purchase offers because to do so would be advising Moza to break his agreement to sell to Respondent Charis.

17. Despite her attempts to explain the situation to Fujimaki, Respondent Spencer felt that Fujimaki was confused about the status of the property. Respondent Spencer explained to Respondent Diaz that the Takamuros were anxious to buy the property and were offering cash. Respondent Spencer told Diaz to consider selling to the Takamuros if the lender bank approved the Moza-Respondent Charis transaction, given the urgency demonstrated by the Takamuros and Fujimaki.

18. On July 14, 2008, Respondent Diaz submitted a \$298,000 purchase offer to Moza on behalf of Respondent Charis. Respondent Spencer informed Moza of the offer.

19. On or about July 14, 2008, Respondent Spencer submitted a \$375,000 counter offer to the Takamuros. The counter offer included an addendum, signed by Respondent Diaz and dated July 15, 2008, that listed Respondent Charis as the owner of the property. The addendum stated, "Charis Financial is the current owner. . . . This sale is no longer a 'short sale.'" The statement that Respondent Charis was the owner of the property at that time was a substantial misrepresentation since Respondent Charis was not the owner of the property on July 15, 2008; Moza was the owner, as Respondent Charis's previous offer was still pending. Moza was not listed as the owner of the property on the counter offer; Moza did not sign the counter offer. Respondents Diaz and Spencer knew Respondent Charis was not the owner of the property at the time Respondent Diaz signed the counter offer and Respondent Spencer submitted the same. By its own terms, the counter offer expired on July 16, 2008, unless Respondent Charis signed the counter offer by that date.

20. At hearing Respondents denied intending to defraud the Takamuros with the counter offer addendum noting Respondent Charis as owner of the property on July 15, 2008, but conceded the addendum was "poorly worded." Respondents Diaz and Spencer explained that the addendum was meant to convey to the Takamuros what would be the status of the property's ownership after the lender bank approved the Respondent Charis purchase.

Respondents Diaz and Spencer further explained that they made the counter offer and identified Respondent Charis as the owner therein to placate the Takamuros' urgency and address Fujimaki's impatience. Respondents Diaz and Spencer acknowledged that the addendum contained a bad choice of words, but denied intending to defraud the Takamuros. While the evidence did not establish that Respondents had fraudulent intentions with the untrue addendum, Respondents' explanation was not otherwise persuasive. Respondents' untrue statement that Respondent Charis was the owner of the property on July 15, 2008, was a substantial misrepresentation and constituted dishonest dealing.

21. The Takamuros agreed to purchase the property for \$375,000 on July 16, 2008. On July 22, 2008, the Takamuros paid a \$10,000 initial deposit to Service First Escrow, the escrow company. Service First Escrow opened an escrow account for the purchase of the property by the Takamuros on July 21 or 22, 2008.

22. On July 22, 2008, Respondent Diaz submitted a \$317,000 purchase offer to Moza on behalf of Respondent Charis. Moza accepted the offer.

23. At hearing, Respondent Diaz explained, in concert with Respondent Spencer, that had Moza accepted either of the Takamuro's offers, the short sale would have started anew, and given the time required to complete a short sale process, Moza would have fallen into foreclosure before the Takamuro's purchase could have completed. In this way, Respondent Diaz believed his actions of purchasing the property and selling it to the Takamuros thereafter honored the Takamuro's purchase offer and protected Moza from foreclosure.

24. Escrow closed on the purchase of the property by Respondent Charis on July 24, 2008. Respondent Charis became the owner of the property on July 24, 2008.

25. On July 25, 2008, Respondent Charis entered into a listing agreement with T.N.G. Real Estate Consultants. Respondent Spencer was to list the property for \$375,000. The listing agreement noted Respondent Charis and Moza as sellers. At hearing, Respondent Spencer asserted that listing Respondent Charis and Moza together as the sellers was a clerical error, due to the computer program she used to draft the agreement. She intended to solely identify Respondent Charis as the seller. Respondent Spencer was credible regarding this assertion.

26. The Takamuros eventually purchased the property from Respondent Charis, tendering the remaining balance on August 5, 2008. Escrow closed on August 6, 2008.

27. On August 6, 2008, the escrow company informed the Takamuros that \$410.85 was owed in unpaid homeowner association fees.

28. On November 25, 2008, the homeowner association notified the Takamuros that there was a lien recorded against the property in June 2008, and that the Takamuros were liable for an additional \$702 in fees and/or penalties.

29. The Takamuros were surprised and displeased with the unpaid fees and the lien. Additionally, the Takamuros felt that Respondent Spencer had a bad attitude throughout the transaction, and they complained to Fujimaki that there was a mix-up with the keys to the property. Eventually, the key mix-up was resolved and, after complaining to the California Department of Corporations, the Takamuros were reimbursed for the additional fees they were initially required to pay to the homeowner association. It was the homeowner association and key problems that largely prompted the Takamuros to complain to the Department regarding the instant matter. The Takamuros and Fujimaki both believed that the July 15, 2008 misstatement that Respondent Charis was the property owner on that date constituted fraud. Fujimaki would have advised the Takamuros not to purchase the property, had Fujimaki known that Respondent Charis was not the actual owner on that date.

LEGAL CONCLUSIONS

1. The Department bore the burden of proof by clear and convincing evidence.
2. Business and Professions Code section 10176 states in part:

The commissioner may, upon his or her own motion, and shall, upon the verified complaint in writing of any person, investigate the actions of any person engaged in the business or acting in the capacity of a real estate licensee within this state, and he or she may . . . permanently revoke a real estate license at any time where the licensee, while a real estate licensee, in performing or attempting to perform any of the acts within the scope of this chapter has been guilty of any of the following:

- (a) Making any substantial misrepresentation.

[¶] . . . [¶]

- (i) Any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing.

3. Respondent Spencer knew Respondent Charis did not own the property when she submitted the counter offer to Fujimaki and the Takamuros. The assertion within the addendum, that Respondent Charis owned the property, was a substantial misrepresentation and constituted dishonest dealing, as it was an untrue statement about the ownership of the property being offered for sale. There was insufficient evidence to establish fraud. Nonetheless, by submitting the untrue counter offer, Respondent Spencer violated Business and Professions Code section 10176, subdivisions (a) and (i).

4. Respondent Spencer's explanation, that the untrue statement was best described as poorly worded, was unpersuasive. The statement was not only inaccurate; it was untrue. Her additional explanation that it was meant to convey the future ownership status was equally unpersuasive. To convey such status, the statement should have and could have stated that Respondent Charis would shortly be the owner. Still more logically, Respondent Spencer should not have submitted the counter offer until the Moza-Respondent Charis transaction was completed. If anything, the combination of the Takamuro's urgency and Moza's lack of sophistication and lack of attention to the transaction details should have prompted Respondents to act with prudence and greater care. Respondents failed to do so.

5. California Code of Regulations, title 10, section 2910 states in part:

(a) When considering whether a license should be denied, suspended or revoked on the basis of the conviction of a crime, or on the basis of an act described in Section 480(a)(2) or 480(a)(3) of the [Business and Professions] Code, the crime or act shall be deemed to be substantially related to the qualifications, functions or duties of a licensee of the Department within the meaning of Sections 480 and 490 of the Code if it involves:

[¶] . . . [¶]

(2) . . . the uttering of a false statement.

[¶] . . . [¶]

(4) The employment of . . . deceit, falsehood, or misrepresentation to achieve an end.

[¶] . . . [¶]

(6) Willfully violating or failing to comply with a provision of Division 4 of the Business and Professions Code of the State of California.

6. The untrue statement that Respondent Charis owned the property on July 15, 2008, and the submission of the counter offer that contained that statement is substantially related to a real estate salesperson's qualifications, functions, and duties. (Cal. Code Regs., tit. 10, § 2910, subs. (a)(2), (a)(4), and (a)(6).)

7. Cause exists to discipline Respondent Spencer's real estate salesperson license, pursuant to Business and Professions Code section 10176, subdivisions (a), and (i), for making a substantial misrepresentation and engaging in dishonest dealing, as set forth in Factual Findings 1, 4, 19, 20, 22, 24, and Legal Conclusions 1-6.

8. Business and Professions Code section 10177, states in part:

The commissioner may suspend or revoke the license of a real estate licensee . . . who has done any of the following, or may suspend or revoke the license of a corporation . . . if an officer, director, or person owning or controlling 10 percent or more of the corporation's stock has done any of the following:

[¶] . . . [¶]

(d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law and Chapter 1 (commencing with Section 11000) of Part 2.

[¶] . . . [¶]

(g) Demonstrated negligence or incompetence in performing an act for which he or she is required to hold a license.

[¶] . . . [¶]

(j) Engaged in any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing.

9. As Respondent Diaz signed the addendum that contained the untrue statement regarding Respondent Charis's ownership of the property, he bears equal responsibility (to that of Respondent Spencer) for its broadcast.

10. Cause exists to discipline Respondent Diaz's real estate salesperson license, pursuant to Business and Professions Code section 10177, subdivision (j), for dishonest dealing, as set forth in Factual Findings 1, 3, 19, 20, 22, 24, and Legal Conclusions 1, 5, 6, 8, and 9.

11. Cause exists to discipline Respondent Charis's real estate corporation license, pursuant to Business and Professions Code section 10177, subdivision (j), for dishonest dealing, as set forth in Factual Findings 1, 2, 5, 19, 20, 22, 24, and Legal Conclusions 1, 5, 6, 8, and 9.

12. Cause exists to discipline Respondent Spencer's real estate salesperson license, pursuant to Business and Professions Code section 10177, subdivision (d), for violating real estate laws, as set forth in Factual Findings 1, 4, 19, 20, 22, 24, and Legal Conclusions 1, and 5-8.

13. There was no expert testimony or other evidence to support a conclusion that Respondents' actions generally or with regard to the untrue statement constituted negligence or incompetence.

14. Cause does not exist to discipline Respondent Spencer's real estate salesperson license, pursuant to Business and Professions Code section 10177, subdivision (g), for negligence or incompetence, as set forth in Factual Findings 1, 4, 9-29, and Legal Conclusions 1, 8, and 13.

15. Respondents established that, at least in part, they took action to assist Moza in avoiding foreclosure and maintain loyalty to the Takamuro's offer to purchase the property. Respondents effectuated these intentions, however, with a significant misrepresentation regarding the property's ownership. Such an act demonstrates a willingness to employ dishonesty to reach an end. Respondents' arguments intending to minimize the misrepresentation further raise cause for concern. These actions require discipline against Respondents' licenses to provide the Department with oversight of Respondents' actions and impress upon Respondents the need to act in compliance with the pertinent laws and regulations. Revocation of Respondents' licenses would be too severe, but restricted licenses with a requirement that Respondents Diaz and Spencer pass the Department's professional responsibility examination would ensure the public's safety and address the concerns raised by Respondents' actions.

ORDERS

Regarding Respondent Christopher Paul Diaz

1(a). All licenses and licensing rights of Respondent Christopher Paul Diaz under the Real Estate Law are revoked; provided, however, a restricted real estate salesperson license shall be issued to Respondent Diaz pursuant to Section 10156.5 of the Business and Professions Code if Respondent Diaz makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to Respondent Diaz shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

1(b). The restricted license issued to Respondent Christopher Paul Diaz may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondent Diaz's conviction or plea of nolo contendere to a crime which is substantially related to Respondent Diaz's fitness or capacity as a real estate licensee.

1(c). The restricted license issued to Respondent Christopher Paul Diaz may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent Diaz has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate

Commissioner or conditions attaching to the restricted license.

1(d). Respondent Christopher Paul Diaz shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until two years have elapsed from the effective date of this Decision.

1(e). Respondent Christopher Paul Diaz shall submit with any application for license under an employing broker, or any application for transfer to a new employing broker, a statement signed by the prospective employing real estate broker on a form approved by the Department of Real Estate which shall certify:

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

(2) That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.

1(f). Respondent Christopher Paul Diaz shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that Respondent Diaz has, since the most recent issuance of an original or renewal real estate license, 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 Diaz fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until the Respondent Diaz presents such evidence. The Commissioner shall afford Respondent Diaz the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

1(g). Respondent Christopher Paul Diaz shall, within six months from the effective date of this Decision, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If Respondent Diaz fails to satisfy this condition, the Commissioner may order suspension of Respondent Diaz's license until Respondent Diaz passes the examination.

Regarding Respondent Laura Christine Spencer

2(a). All licenses and licensing rights of Respondent Laura Christine Spencer under the Real Estate Law are revoked; provided, however, a restricted real estate salesperson license shall be issued to Respondent Spencer pursuant to Section 10156.5 of the Business and Professions Code if Respondent Spencer makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to Respondent Spencer shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

2(b). The restricted license issued to Respondent Laura Christine Spencer may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondent Spencer's conviction or plea of nolo contendere to a crime which is substantially related to Respondent Spencer's fitness or capacity as a real estate licensee.

2(c). The restricted license issued to Respondent Laura Christine Spencer may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent Spencer has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

2(d). Respondent Laura Christine Spencer shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until two years have elapsed from the effective date of this Decision.

2(e). Respondent Laura Christine Spencer shall submit with any application for license under an employing broker, or any application for transfer to a new employing broker, a statement signed by the prospective employing real estate broker on a form approved by the Department of Real Estate which shall certify:

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

(2) That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.

2(f). Respondent Laura Christine Spencer shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that Respondent Spencer has, since the most recent issuance of an original or renewal real estate license, 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 Spencer fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until the Respondent Spencer presents such evidence. The Commissioner shall afford Respondent Spencer the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

2(g). Respondent Laura Christine Spencer shall, within six months from the effective date of this Decision, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If Respondent Spencer fails to satisfy this condition, the Commissioner may order suspension of Respondent Spencer's license until Respondent Spencer passes the examination.

Regarding Respondent Charis Financial, Inc.

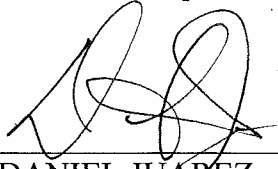
3(a). All licenses and licensing rights of Respondent Charis Financial, Inc., under the Real Estate Law are revoked; provided, however, a restricted real estate corporation license shall be issued to Respondent pursuant to Section 10156.5 of the Business and Professions Code if Respondent Charis makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to Respondent Charis shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

3(b). The restricted license issued to Respondent Charis Financial, Inc. may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondent Charis's conviction or plea of nolo contendere to a crime which is substantially related to Respondent Charis's fitness or capacity as a real estate licensee.

3(c). The restricted license issued to Respondent Charis Financial, Inc. may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent Charis has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

3(d). Respondent Charis Financial, Inc. shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until two years have elapsed from the effective date of this Decision.

Dated: March 23, 2012



DANIEL JUAREZ
Administrative Law Judge
Office of Administrative Hearings