

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

**FILED**

MAR 25 2019

DEPT. OF REAL ESTATE

By Zhi-Jan

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of	)	No. H-41097 LA
12 DBMR AND ASSOCIATES, INC., doing	)	
13 business as Coastal Properties Escrow, and	)	
14 <u>KATHI D. JESSE</u> , individually and as	)	<u>STIPULATION AND AGREEMENT</u>
15 designated officer of DBMR and	)	
16 Associates, Inc.,	)	
Respondents.	)	As Respondent Kathi D. Jesse only

17 It is hereby stipulated by and between Respondent KATHI D. JESSE,  
18 individually and as designated officer of DBMR and Associates, Inc., (sometimes referred to as  
19 "Respondent"), acting by and through her attorney, Mary E. Work, Esq., and the Complainant,  
20 acting by and through Judith B. Vasan, Counsel for the Department of Real Estate, as follows for  
21 the purpose of settling and disposing of the Accusation ("Accusation") filed on July 11, 2018, in  
22 this matter:

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

1 Stipulation and Agreement ("Stipulation").

2 2. Respondent has received, read and understands the Statement to Respondent,  
3 the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate  
4 ("Department") in this proceeding.

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

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

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

24 6. It is understood by the parties that the Real Estate Commissioner may adopt  
25 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on  
26 Respondent's real estate licenses and license rights as set forth in the below "Order". In the  
27 event that the Commissioner in his discretion does not adopt the Stipulation, the Stipulation shall

STIPULATION AND AGREEMENT

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

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

8 8. Respondent understands that by agreeing to this Stipulation, Respondent agrees  
9 to pay jointly and severally with Respondent DBMR and Associates, Inc., pursuant to Business  
10 and Professions Code ("Code") section 10148, the costs of the audit with led to this disciplinary  
11 action. The amount of said costs is \$5,071.86.

#### 12 DETERMINATION OF ISSUES

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

15 The conduct, acts or omissions of Respondent KATHI D. JESSE as set forth in  
16 the Accusation, are in violation of Code section 10159.2 (failure to supervise) and Section 2725  
17 (failure to supervise) of Title 10, Chapter 6 of the California Code of Regulations, and are a basis  
18 for discipline of Respondent KATHI D. JESSE's licenses and license rights pursuant to Code  
19 sections 10177(d), 10177(g), and 10177(h).

#### 20 ORDER

21 WHEREFORE, THE FOLLOWING ORDER is hereby made:

#### 22 I.

23 A. All licenses and license rights of Respondent KATHI D. JESSE under the Real  
24 Estate Law are suspended for a period of thirty (30) days from the effective date of this Decision;  
25 provided, however, that the initial fifteen (15) days of that suspension shall be stayed for two (2)  
26 years upon the following terms and conditions:

1                    1. Respondent shall pay a monetary penalty pursuant to Section 10175.2 of the  
2 Code at a rate of \$100.00 for each day of the suspension for a total monetary penalty of  
3 \$1,500.00

4                    2. Said payment shall be in the form of a cashier's check or certified check made  
5 payable to the Department of Real Estate. **Said check must delivered to the Department of**  
6 **Real Estate, Flag Section, at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the**  
7 **effective date of this Decision and Order.**

8                    3. No further cause for disciplinary action against the real estate license of  
9 Respondent occurs within two (2) years from the effective date of the Decision in this matter.

10                   4. If Respondent fails to pay the monetary penalty in accordance with the terms  
11 and conditions of the Decision, the suspension shall go into effect automatically with regard to  
12 said Respondent. In that event, Respondent shall not be entitled to any repayment nor credit,  
13 prorated or otherwise, for money paid to the Department under the terms of this Decision and  
14 Order.

15                   5. If Respondent pays the monetary penalty and if no further cause for  
16 disciplinary action against the real estate license of Respondent occurs within two (2) years from  
17 the effective date of the Decision, the stay hereby granted shall become permanent.

18                   B. The remaining fifteen (15) days of the sixty (30) day suspension shall be  
19 stayed for two (2) years upon the following terms and conditions:

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

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

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II.

Pursuant to Code section 10148, Respondent shall pay the Commissioner's  
reasonable costs for the audit which led to this disciplinary action in the amount of \$5,071.86.  
Respondent shall pay such costs within sixty (60) days of receiving an invoice therefore from the  
Commissioner. Payment of the audit costs should not be made until Respondent receives the  
invoice. Respondent is jointly and severally liable with Respondent DBMR and Associates, Inc.  
for the costs of the audit. If Respondent fails to satisfy this condition in a timely manner as  
provided for herein, Respondent's real estate licenses shall automatically be suspended until  
payment is made in full, or until a decision providing otherwise is adopted following a hearing  
held pursuant to this condition.

III.

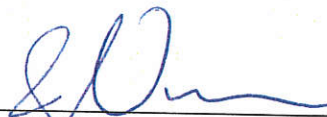
Pursuant to Code section 10148 of the Code, Respondent may be subject to a  
subsequent audit. Respondent shall pay the Commissioner's reasonable costs, not to exceed  
\$6,339.83, for a subsequent audit to determine if Respondent has corrected the violations found  
in the Determination of Issues. In calculating the amount of the Commissioner's reasonable  
costs, the Commissioner may use the estimated average hourly salary for all persons performing  
audits of real estate brokers, and shall include an allocation for travel time to and from the  
auditor's place of work. Respondent shall pay such costs within sixty (60) days of receiving an  
invoice therefor from the Commissioner. Payment of the audit costs should not be made until  
Respondent receives the invoice. If Respondent fails to satisfy this condition in a timely manner  
as provided for herein, Respondent's real estate licenses shall automatically be suspended until  
payment is made in full, or until a decision providing otherwise is adopted following a hearing  
held pursuant to this condition.

IV.

All licenses and license rights of Respondent are indefinitely suspended unless or  
until Respondent pays, jointly and severally with Respondent DBMR and Associates, Inc., the  
sum of \$1,234.80 for the Commissioner's reasonable costs of the investigation and enforcement,

1 which led to this disciplinary action. Said payment shall be in the form of a cashier's check  
2 made payable to the Department of Real Estate. The investigative and enforcement costs must  
3 be delivered to the Department of Real Estate, Flag Section, at P.O. Box 137013, Sacramento,  
4 CA 95813-7013, **prior to the effective date of this Decision and Order.**

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7 DATED: 2-25-2019

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9 Judith B. Vasan, Counsel for  
10 Department of Real Estate

11 \* \* \*

12 EXECUTION OF THE STIPULATION

13 I have read the Stipulation, have discussed it with my counsel, and its terms are  
14 understood by me and are agreeable and acceptable to me. I understand that I am waiving rights  
15 given to me by the California Administrative Procedure Act (including but not limited to Sections  
16 11506, 11508, 11509 and 11513 of the Government Code), and I willingly, intelligently and  
17 voluntarily waive those rights, including the right of requiring the Commissioner to prove the  
18 allegations in the Accusation at a hearing at which I would have the right to cross-examine  
19 witnesses against me and to present evidence in defense and mitigation of the charges.

20 Respondent shall mail the original signed signature page of the stipulation herein  
21 to Judith B. Vasan, Attention: Legal Section, Department of Real Estate, 320 W. Fourth St.,  
22 Suite 350, Los Angeles, California 90013-1105.

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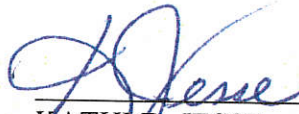
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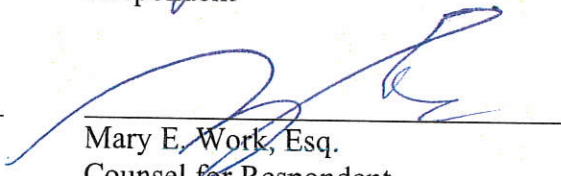
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1 Respondent's signature below constitutes acceptance and approval of the terms and  
2 conditions of this Stipulation. Respondent agrees, acknowledges and understands that by signing  
3 this Stipulation, Respondent is bound by its terms as of the date of such signatures and that this  
4 agreement is not subject to rescission or amendment at a later date except by a separate Decision  
5 and Order of the Real Estate Commissioner.

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7 DATED: 2-21-19

  
KATHI D. JESSE  
Respondent

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10 DATED: 2/22/2019

  
Mary E. Work, Esq.  
Counsel for Respondent  
Approved as to Form

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14 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to  
15 Respondent KATHI D. JESSE, individually and as designated officer of DBMR and Associates,  
16 Inc., and shall become effective at 12 o'clock noon on **APR 15 2019**

17 IT IS SO ORDERED March 14, 2019.

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19 DANIEL J. SANDRI  
ACTING REAL ESTATE COMMISSIONER

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