

## BEFORE THE DEPARTMENT OF REAL ESTATE STATE OF CALIFORNIA

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In the Matter of the Accusation of	)	No. H-42520 LA
RL COMMUNITIES INC, doing business as Lafferty Communities, and RICHARD SAMUEL LAFFERTY, individually and as designated officer of	)	STIPULATION AND AGREEMENT
RL Communities Inc,  Respondents.	) ) )	

It is hereby stipulated by and between Respondent RL COMMUNITIES INC and Respondent RICHARD SAMUEL LAFFERTY, represented by Douglas C. Straus, and the Complainant, acting by and through Steve Chu, Counsel for the Department of Real Estate ("Department"), as follows for the purpose of settling and disposing of the Accusation filed on February 10, 2023, in this matter:

presented by Complainant and Respondents at a formal hearing on the Accusation, which hearing was to be held in accordance with the provisions of the Administrative Procedure Act

("APA"), shall instead and in place thereof be submitted solely on the basis of the provisions of

All issues which were to be contested and all evidence which was to be

this Stipulation and Agreement ("Stipulation").

- Respondents have received, read, and understand the Statement to
   Respondent, the Discovery Provisions of the APA, and the Accusation filed by the Department of Real Estate in this proceeding.
- 3. On February 22, 2023, Respondents filed Notices of Defense pursuant to section 11506 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said Notices of Defense. Respondents acknowledge that Respondents understand that by withdrawing said Notices of Defense, Respondents will thereby waive Respondents' right to require the Real Estate Commissioner ("Commissioner") to prove the allegations in the Accusation at a contested hearing held in accordance with the provisions of the APA and that Respondents will waive other rights afforded to Respondents in connection with the hearing such as the right to present evidence in defense of the allegations in the Accusation and the right to cross-examine witnesses.
- 4. On April 20, 2023, Respondents filed Notices of Intent to Request a Formal Hearing for Citations Nos. C-4-23-0217-001 and C-4-23-0217-002. Respondents hereby freely and voluntarily withdraw said Notices of Intent to Request a Formal Hearing.
- 5. Respondents, pursuant to the limitations set forth below, hereby admit that the factual allegations in the Accusation filed in this proceeding are true and correct and the Commissioner shall not be required to provide further evidence to prove such allegations.
- 6. It is understood by the parties that the Real Estate Commissioner may adopt the Stipulation as his Decision in this matter, thereby imposing the penalty and sanctions on Respondents' real estate licenses and license rights as set forth in the below Order. In the event that the Commissioner in his discretion does not adopt the Stipulation, it shall be void and of no effect, and Respondents shall retain the right to a hearing and proceeding on the Accusation under all the provisions of the APA and shall not be bound by any admission or waiver made herein.

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1 7. The Order or any subsequent Order of the Commissioner made pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further administrative or civil proceedings by the Department with respect to any matters which were not specifically alleged to be causes for the Accusation in this proceeding. **DETERMINATION OF ISSUES** By reason of the foregoing stipulations, admissions, and waivers, and solely for the purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed that the following Determination of Issues shall be made: The conduct, acts, and/or omissions of Respondent RL COMMUNITIES INC, as described in the Accusation, are in violation of California Business and Professions Code ("Code") sections 10176(a), 10176(c), 10176(i), 10177(d), 10177(g), 10177(j), and 11018.2 and Title 10, Chapter 6, California Code of Regulations ("Regulations") section 2800 and constitute cause for the suspension or revocation of all real estate licenses, license endorsements, and license rights of Respondent RL COMMUNITIES INC under Code sections 10176(a), 10176(c), 10176(i), 10177(d), 10177(g), and 10177(j). II. The conduct, acts, and/or omissions of Respondent RICHARD SAMUEL LAFFERTY, as described in the Accusation, are in violation of Code sections 10159.2,

21 section 2800 and constitute cause for the suspension or revocation of all real estate licenses, 22 license endorsements, and license rights of Respondent RICHARD SAMUEL LAFFERTY 23 under Code sections 10176(a), 10176(c), 10176(i), 10177(d), 10177(g), and 10177(j).

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10176(a), 10176(c), 10176(i), 10177(d), 10177(g), 10177(j), and 11018.2 and Regulations

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I.

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

- 1. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondent's conviction, plea of guilty, or plea of nolo contendere to a crime which is substantially related to Respondent's fitness or capacity as a real estate licensee.
- 2. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner, or the conditions attaching to this restricted license.
- 3. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license, including designated officer or mortgage loan originator endorsement, nor for the removal of any of the conditions, limitations or restrictions of a restricted license until five (5) years have elapsed from the effective date of this Decision and Order. Respondent withdraws all pending license applications.

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5. All licenses and licensing rights of Respondent RL COMMUNITIES INC are indefinitely suspended unless or until Respondent RL COMMUNITIES INC submits a Public Report Amendment/Renewal Application for Oakwood Lake, Units 3 and 5, Tract Numbers 3476 and 3478, collectively advertised as Oakwood Shores (Phase 4) within 90 days after the effective date of this Decision and Order.

6. Respondent RL COMMUNITIES INC agrees to comply with the Order to Desist and Refrain, Case No. H-42555 LA, until the Department issues an Amended Public Report for Oakwood Lake, Units 3 and 5, Tract Numbers 3476 and 3478, collectively advertised as Oakwood Shores (Phase 4).

II.

All licenses and licensing rights of Respondent RICHARD SAMUEL LAFFERTY under the Real Estate Law are revoked; provided, however, a restricted designated officer license shall be issued to Respondent pursuant to Section 10156.5 of the Code if Respondent makes application therefor and pays to the Department the appropriate fee for the restricted license within ninety (90) days from the effective date of this Decision. The restricted license issued to Respondent shall be subject to all of the provisions of Section 10156.7 of the Code and to the following limitations, conditions, and restrictions imposed under Section 10156.6 of the Code:

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- 2. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner, or the conditions attaching to this restricted license.
- 3. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license, including designated officer or mortgage loan originator endorsement, nor for the removal of any of the conditions, limitations or restrictions of a restricted license until five (5) years have elapsed from the effective date of this Decision and Order. Respondent withdraws all pending license applications.
- 15 4. All licenses and licensing rights of Respondent RICHARD SAMUEL 16 LAFFERTY are indefinitely suspended unless or until Respondent RICHARD SAMUEL 17 LAFFERTY pays, jointly and severally with Respondent RL COMMUNITIES INC, the sum of \$5,808.75 for the Commissioner's reasonable cost of the investigation and enforcement which 18 19 led to this disciplinary action. Said payment shall be in the form of a cashier's check made payable to the Department of Real Estate. The investigative and enforcement costs must be 20 21 delivered to the Department of Real Estate, Flag Section at P.O. Box 137013. 22 Sacramento, CA 95813-7013, prior to the effective date of this Decision and Order. 23 /// 24 ///

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5. All licenses and licensing rights of Respondent RL COMMUNITIES INC are indefinitely suspended unless or until Respondent RL COMMUNITIES INC submits a Public Report Amendment/Renewal Application for Oakwood Lake, Units 2, 3, and 5, Tract Numbers 3475, 3476, and 3478, collectively advertised as Oakwood Shores (Phase 4) within 90 days after the effective date of this Decision and Order.

6. Respondent RICHARD SAMUEL LAFFERTY agrees to comply with the Order to Desist and Refrain, Case No. H-42555 LA, until the Department issues an Amended Public Report for Oakwood Lake, Units 2, 3, and 5, Tract Numbers 3475, 3476, and 3478, collectively advertised as Oakwood Shores (Phase 4).

DATED: 5/2/2023

Steve Chu, Counsel Department of Real Estate 1

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We have read the Stipulation and Agreement. We understand that we are waiving rights given to us by the California Administrative Procedure Act, (including but not limited to sections 11521 and 11523 of the Government Code), and we willingly, intelligently, and voluntarily waive those rights, including the right to seek reconsideration and the right to seek judicial review of the Commissioner's Decision and Order by way of a writ of mandate.

We agree, acknowledge, and understand that we cannot rescind or amend this Stipulation and Agreement.

We can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by mailing the original signed Stipulation and Agreement to: Steve Chu, Department of Real Estate, 320 West 4th Street, Suite 350, Los Angeles, California 90013-1105. Steve Chu must receive the original signed Stipulation and Agreement or a copy faxed to (213) 576-6917 by May 2, 2023; if not, this Stipulation and Agreement is invalid and void because the sum for the Commissioner's reasonable cost of the investigation and enforcement which led to this disciplinary action will increase.

DATED: 4/28/2023

4/28/2023 DATED:

RE-EUMANDITIES INC Respondent

RICHARD SAMUEL LAFFERTY Respondent

Douglas C. Straus Counsel for Respondents Approved as to Form

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The foregoing Stipulation and Agreement is hereby adopted by me as my Decision in this matter as to Respondent RL COMMUNITIES INC and Respondent RICHARD SAMUEL LAFFERTY, and shall become effective at 12 o'clock noon on 7 5 2023.

IT IS SO ORDERED 6.1.23

DOUGLAS R. McCAULEY REAL ESTATE COMMISSIONER

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