

1 Bureau of Real Estate
2 320 West 4th Street, Ste. 350
3 Los Angeles, California 90013-1105
4 Telephone: (213) 576-6982

FILED

DEC 08 2015

BUREAU OF REAL ESTATE

By *Sybil Hanner*

8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) BRE No. H-39728 LA
12) OAH No. 2015040879
13)
14 SITSEEFly, INC.; JEFFREY CARL AULT,)
15 individually and as designated officer of) STIPULATION AND
16 SitSeeFly, Inc.; and MICHAEL LEONIS, JR.,) AGREEMENT
17)
18 Respondents.)

17 It is hereby stipulated by and between Respondent JEFFREY CARL AULT
18 (“AULT”), represented by Steve Vondran, Esq., and the Complainant, acting by and through
19 Diane Lee, Counsel for the Bureau of Real Estate, as follows for the purpose of settling and
20 disposing of the Accusation (“Accusation”) filed on February 3, 2015, in this matter:

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

26 2. Respondent AULT has received and read, and understands the Statement to
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1 Respondent, the Discovery Provisions of the APA, and the Accusation filed by the Bureau of
2 Real Estate in this proceeding.

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

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

17 5. This Stipulation is made for the purpose of reaching an agreed disposition of
18 this proceeding and is expressly limited to this proceeding and any other proceeding or case in
19 which the Bureau of Real Estate, the state or federal government, or any agency of this state, or
20 another state or federal government is involved.

21 6. It is understood by the parties that the Real Estate Commissioner may adopt
22 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on the
23 real estate licenses and license rights of Respondent AULT as set forth in the below "Order." In
24 the event that the Commissioner in his discretion does not adopt this Stipulation, it shall be void
25 and of no effect, and Respondent AULT shall retain the right to a hearing and proceeding on the
26 Accusation under the provisions of the APA and shall not be bound by this Stipulation herein.

1 of this Decision and Order, the entire stay hereby granted pursuant to this Decision and Order, as
2 to said Respondent AULT only, shall become permanent.

3 2. The remaining sixty (60) days of said suspension shall be stayed for two (2)
4 years upon the following terms and conditions:

5 a. Respondent AULT shall obey all laws, rules and regulations governing the
6 rights, duties and responsibilities of a real estate licensee in the State of California; and,

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

13
14 (INVESTIGATION AND ENFORCEMENT COSTS)

15 II.

16 Pursuant to California Business and Professions Code section 10106,
17 Respondent AULT as well as Respondents SitSeeFly, Inc. ("SitSeeFly") and Michael Leonis, Jr.
18 ("Leonis") shall pay the Commissioner's reasonable cost for investigation and enforcement of the
19 matter. The investigation and enforcement cost which led to this disciplinary action is \$1,610.00.
20 Respondent AULT shall pay fifty (50) percent of \$1,610.00, which is \$805.00. Said payment
21 shall be made within sixty (60) days after the effective date of this Decision. Said payment shall
22 be in the form of a cashier's check made payable to the Bureau of Real Estate at: Bureau of Real
23 Estate, Flag Section, P.O. Box 137013, Sacramento, CA 95813-7013.

24 The Commissioner shall suspend the license of Respondent AULT pending a
25 hearing held in accordance with California Government Code section 11500, et seq., if payment
26 is not timely made as provided for herein. The suspension shall remain in effect until payment is
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1 made in full or until Respondent AULT enters into an agreement satisfactory to the
2 Commissioner to provide for payment, or until a decision providing otherwise is adopted
3 following a hearing held pursuant to this condition.

4
5 (AUDIT COSTS)

6 III.

7 Pursuant to California Business and Professions Code section 10148, Respondent
8 AULT and Respondent SitSeeFly shall each pay \$2,325.07 for the Commissioner's cost of the
9 audit which led to this disciplinary action. Respondent AULT shall pay this \$2,325.07 within
10 sixty (60) days of receiving an invoice therefore from the Commissioner. Payment of audit costs
11 should not be made until Respondent AULT receives the invoice. If Respondent AULT fails to
12 satisfy this condition in a timely manner as provided for herein, the real estate license of
13 Respondent AULT shall automatically be suspended until payment is made in full, or until a
14 decision providing otherwise is adopted following a hearing held pursuant to this condition.

15 Pursuant to California Business and Professions Code section 10148, Respondent
16 AULT shall pay the Commissioner's reasonable cost, not to exceed \$4,650.14, for an audit of to
17 determine if Respondent AULT has corrected the violations found in the Determination of
18 Issues. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may
19 use the estimated average hourly salary for all persons performing audits of real estate broker(s),
20 and shall include an allocation for travel time to and from the auditor's place of work.
21 Respondent AULT shall pay such cost, jointly and severally, within sixty (60) days of receiving
22 an invoice therefore from the Commissioner. Payment of the audit costs should not be made
23 until Respondent AULT receives the invoice. If Respondent AULT fails to satisfy this condition
24 in a timely manner as provided for herein, the real estate licenses of Respondent AULT shall
25 automatically be suspended until payment is made in full, or until a decision providing otherwise
26 is adopted following a hearing held pursuant to this condition.

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(CONTINUING EDUCATION)

IV.

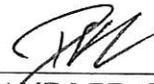
Respondent AULT shall, within nine (9) months from the effective date of this
Decision and Order, present evidence satisfactory to the Commissioner that Respondent AULT
has, since the most recent issuance of an original or renewal real estate license, taken and
successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the
Real Estate Law for renewal of a real estate license. If Respondent AULT fails to satisfy this
condition, Respondent AULT's real estate license shall automatically be suspended until
Respondent AULT presents evidence satisfactory to the Commissioner of having taken and
successfully completed the continuing education requirements. Proof of completion of the
continuing education courses must be delivered to the Bureau of Real Estate, Flag Section at P.O.
Box 137013, Sacramento, CA 95813-7013.

(PROFESSIONAL RESPONSIBILITY EXAM)

V.

Respondent AULT shall, within six (6) months from the effective date of this
Decision and Order, take and pass the Professional Responsibility Examination administered by
the Bureau of Real Estate including the payment of the appropriate examination fee. If
Respondent AULT fails to satisfy this condition, Respondent AULT's real estate license shall
automatically be suspended until Respondent AULT passes the examination.

DATED: 10/30/2015



DIANE LEE, Counsel for
Bureau of Real Estate

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A facsimile constitutes acceptance and approval of the terms and conditions of this Stipulation. Respondent AULT agrees, acknowledges, and understands that by electronically sending to the Bureau of Real Estate a facsimile copy of the actual signature of Respondent AULT as it appear on the Stipulation that receipt of the facsimile copy by the Bureau of Real Estate shall be as binding on Respondent AULT as if the Bureau of Real Estate had received the original signed Stipulation.

DATED: 10-30-2015


JEFFREY CARL AULT, individually and as former designated officer of SitSeeFly, Inc.

DATED: 10-30-15


STEVE VONDRAN, ESQ.
Attorney for Respondent JEFFREY CARL AULT

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondent JEFFREY CARL AULT, and shall become effective at 12 o'clock noon on _____, 2015.

IT IS SO ORDERED _____, 2015.

REAL ESTATE COMMISSIONER

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A facsimile constitutes acceptance and approval of the terms and conditions of this Stipulation. Respondent AULT agrees, acknowledges, and understands that by electronically sending to the Bureau of Real Estate a facsimile copy of the actual signature of Respondent AULT as it appear on the Stipulation that receipt of the facsimile copy by the Bureau of Real Estate shall be as binding on Respondent AULT as if the Bureau of Real Estate had received the original signed Stipulation.

DATED: _____

JEFFREY CARL AULT, individually and as former designated officer of SitSeeFly, Inc.

DATED: _____

STEVE VONDRAN, ESQ.
Attorney for Respondent JEFFREY CARL AULT

* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondent JEFFREY CARL AULT, and shall become effective at 12 o'clock noon on DEC 28 2015, 2015.

IT IS SO ORDERED DECEMBER 1, 2015.

WAYNE S. BELL
REAL ESTATE COMMISSIONER



By: JEFFREY MASON
Chief Deputy Commissioner

1 Bureau of Real Estate
2 320 West 4th Street, Ste. 350
3 Los Angeles, California 90013-1105
4 Telephone: (213) 576-6982

FILED
DEC 08 2015
BUREAU OF REAL ESTATE
By *[Signature]*

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8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of) BRE No. H-39728 LA
12) OAH No. 2015040879
13)
14 SITSEEFly, INC.; JEFFREY CARL AULT,)
15 individually and as designated officer of) STIPULATION AND
16 SitSeeFly, Inc.; and MICHAEL LEONIS, JR.,) AGREEMENT
17)
18 Respondents.)

17 It is hereby stipulated by and between Respondents SITSEEFly, INC.
18 (“SITSEEFly”) and MICHAEL LEONIS, JR. (“LEONIS”), individually and as the current
19 designated officer of SitSeeFly, Inc. (collectively “Respondents”), both represented by Frank
20 Buda, Esq., and the Complainant, acting by and through Diane Lee, Counsel for the Bureau of
21 Real Estate, as follows for the purpose of settling and disposing of the Accusation (“Accusation”)
22 filed on February 3, 2015, in this matter:

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

1 the basis of the provisions of this Stipulation and Agreement (“Stipulation”).

2 2. Respondents SITSEEFly and LEONIS have received, read, and understand
3 the Statement to Respondent, the Discovery Provisions of the APA, and the Accusation filed by
4 the Bureau of Real Estate in this proceeding.

5 3. Respondents SITSEEFly and LEONIS filed Notices of Defense pursuant to
6 California Government Code section 11506 for the purpose of requesting a hearing on the
7 allegations in the Accusation. Respondents SITSEEFly and LEONIS hereby freely and
8 voluntarily withdraw said Notices of Defense. Respondents SITSEEFly and LEONIS
9 acknowledge that they understand that by withdrawing said Notices of Defense they thereby
10 waive their right to require the Commissioner to prove the allegations in the Accusation at a
11 contested hearing held in accordance with the provisions of the APA and that Respondents
12 SITSEEFly and LEONIS will waive other rights afforded to them in connection with the
13 hearing such as the right to present evidence in their defense and the right to cross-examine
14 witnesses.

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

21 5. This Stipulation is made for the purpose of reaching an agreed disposition of
22 this proceeding and is expressly limited to this proceeding and any other proceeding or case in
23 which the Bureau of Real Estate, the state or federal government, or any agency of this state, or
24 another state or federal government is involved.

25 6. It is understood by the parties that the Real Estate Commissioner may adopt
26 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on the
27

1 real estate licenses and license rights of Respondents SITSEEFly and LEONIS as set forth in
2 the below "Order." In the event that the Commissioner in his discretion does not adopt this
3 Stipulation, it shall be void and of no effect, and Respondents SITSEEFly and LEONIS shall
4 retain the right to a hearing and proceeding on the Accusation under the provisions of the APA
5 and shall not be bound by this Stipulation herein.

6 7. The Order or any subsequent Order of the Real Estate Commissioner made
7 pursuant to this Stipulation herein shall not constitute an estoppel, merger, or bar to any further
8 administrative or civil proceedings by the Bureau of Real Estate with respect to any matters
9 which were not specifically alleged to be causes for Accusation in this proceeding, but do
10 constitute a bar, estoppel, and merger as to any allegations specifically and actually contained in
11 the Accusation against Respondents SITSEEFly and LEONIS herein.

12 8. Respondents SITSEEFly and LEONIS understand that by agreeing to this
13 Stipulation, Respondents SITSEEFly and LEONIS agree to pay, pursuant to California Business
14 and Professions Code section 10106, fifty (50) percent of the cost of the investigation and
15 enforcement. The amount of total investigation and enforcement cost is \$1,610.00.

16 17 DETERMINATION OF ISSUES

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

20 I.

21 The conduct, acts, or omissions of Respondent SITSEEFly, INC., as described in
22 the Accusation and Paragraph 4, above, are in violation of California Business and Professions
23 Code sections 10145, 10176(e), and 10177(g), and Title 10, Chapter 6 of the California Code of
24 Regulations, sections 2832(a) and 2834(b), and are a basis for discipline of SITSEEFly's
25 license and license rights as violation of the Real Estate Law pursuant to California Business and
26 Professions Code section 10176(e) and 10177(g).

1 II.

2 The conduct, acts, or omissions of Respondent MICHAEL LEONIS, JR., as
3 described in the Accusation and Paragraph 4, above, are in violation of California Business and
4 Professions Code section 10177(g), and are a basis for discipline of LEONIS's license and
5 license rights as violation of the Real Estate Law pursuant to California Business and Professions
6 Code section 10177(g).

7
8 ORDER

9 WHEREFORE, THE FOLLOWING ORDER is hereby made:

10
11 (SUSPENSION: SITSEEFly, INC.)

12 I.

13 All licenses and licensing rights of Respondent SITSEEFly under the Real Estate
14 Law are suspended for a period of ninety (90) days, from the effective date of this Decision and
15 Order, provided, however, that:

16 1. Thirty (30) days of said suspension shall be stayed, upon the condition that
17 SITSEEFly petitions pursuant to California Business and Professions Code section 10175.2 and
18 pays a monetary penalty pursuant to California Business and Professions Code section 10175.2 at
19 a rate of \$100.00 for each day of the suspension for a total monetary penalty of \$3,000.00.

20 a. Said payment shall be in the form of a cashier's check made payable to the
21 Bureau of Real Estate. Said check must be delivered to the Bureau of Real Estate, Flag Section
22 at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this Decision and
23 Order.

24 b. No further cause for disciplinary action against the Real Estate licenses of
25 Respondent SITSEEFly occurs within two (2) years from the effective date of the Decision and
26 Order in this matter.

1 c. If SITSEEFly fails to pay the monetary penalty in accordance with the terms
2 and conditions of this Decision and Order, the suspension shall go into effect automatically.
3 Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money
4 paid to the Bureau under the terms of this Decision and Order.

5 d. If Respondent SITSEEFly pays the monetary penalty and any other moneys
6 due under this Stipulation and Agreement and if no further cause for disciplinary action against
7 the real estate license of said Respondent SITSEEFly occurs within two (2) years from the
8 effective date of this Decision and Order, the entire stay hereby granted pursuant to this Decision
9 and Order, as to said Respondent SITSEEFly only, shall become permanent.

10 2. The remaining sixty (60) days of said suspension shall be stayed for two (2)
11 years upon the following terms and conditions:

12 a. Respondent SITSEEFly shall obey all laws, rules and regulations governing
13 the rights, duties and responsibilities of a real estate licensee in the State of California; and,

14 b. That no final subsequent determination be made, after hearing or upon
15 stipulation, that cause for disciplinary action occurred within two (2) years from the effective
16 date of this Decision and Order. Should such a determination be made, the Commissioner may,
17 in his discretion, vacate and set aside the stay order and reimpose all or a portion of the stayed
18 suspension. Should no such determination be made, the stay imposed herein shall become
19 permanent.

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1 (SUSPENSION: MICHAEL LEONIS, JR.)

2 II.

3 All licenses and licensing rights of Respondent LEONIS under the Real Estate
4 Law are suspended for a period of forty-five (45) days, from the effective date of this Decision
5 and Order, provided, however, that:

6 1. Fifteen (15) days of said suspension shall be stayed, upon the condition that
7 LEONIS petitions pursuant to California Business and Professions Code section 10175.2 and
8 pays a monetary penalty pursuant to California Business and Professions Code section 10175.2 at
9 a rate of \$100.00 for each day of the suspension for a total monetary penalty of \$1,500.00.

10 a. Said payment shall be in the form of a cashier's check made payable to the
11 Bureau of Real Estate. Said check must be delivered to the Bureau of Real Estate, Flag Section
12 at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this Decision and
13 Order.

14 b. No further cause for disciplinary action against the Real Estate licenses of
15 Respondent LEONIS occurs within two (2) years from the effective date of the Decision and
16 Order in this matter.

17 c. If LEONIS fails to pay the monetary penalty in accordance with the terms and
18 conditions of this Decision and Order, the suspension shall go into effect automatically.

19 Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money
20 paid to the Bureau under the terms of this Decision and Order.

21 d. If Respondent LEONIS pays the monetary penalty and any other moneys due
22 under this Stipulation and Agreement and if no further cause for disciplinary action against the
23 real estate license of said Respondent LEONIS occurs within two (2) years from the effective
24 date of this Decision and Order, the entire stay hereby granted pursuant to this Decision and
25 Order, as to said Respondent LEONIS only, shall become permanent.

26 2. The remaining thirty (30) days of said suspension shall be stayed for two (2)
27

1 years upon the following terms and conditions:

2 a. Respondent LEONIS shall obey all laws, rules and regulations governing the
3 rights, duties and responsibilities of a real estate licensee in the State of California; and,

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

10
11 (INVESTIGATION AND ENFORCEMENT COSTS: ALL RESPONDENTS)

12 III.

13 Pursuant to California Business and Professions Code section 10106,
14 Respondents SITSEEFly and LEONIS as well as Respondent Jeffrey Carl Ault ("Ault") shall
15 pay the Commissioner's reasonable cost for investigation and enforcement of the matter. The
16 investigation and enforcement cost which led to this disciplinary action is \$1,610.00.

17 Respondents SITSEEFly and LEONIS shall pay, jointly and severally, fifty (50) percent of
18 \$1,610.00, which is \$805.00. Said payment shall be made within sixty (60) days after the
19 effective date of this Decision. Said payment shall be in the form of a cashier's check made
20 payable to the Bureau of Real Estate at: Bureau of Real Estate, Flag Section, P.O. Box 137013,
21 Sacramento, CA 95813-7013.

22 The Commissioner shall suspend the licenses of Respondents SITSEEFly and
23 LEONIS pending a hearing held in accordance with California Government Code section 11500,
24 et seq., if payment is not timely made as provided for herein. The suspension shall remain in
25 effect until payment is made in full or until Respondents SITSEEFly and LEONIS enter into an
26 agreement satisfactory to the Commissioner to provide for payment, or until a decision providing
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1 otherwise is adopted following a hearing held pursuant to this condition.

2
3 (AUDIT COSTS: ALL RESPONDENTS)

4 IV.

5 Pursuant to California Business and Professions Code section 10148, Respondent
6 SITSEEFly and Respondent Ault shall each pay \$2,325.07 for the Commissioner's cost of the
7 audit which led to this disciplinary action. Respondent SITSEEFly shall pay this \$2,325.07
8 within sixty (60) days of receiving an invoice therefore from the Commissioner. Payment of
9 audit costs should not be made until Respondent SITSEEFly receives the invoice. If
10 Respondent SITSEEFly fails to satisfy this condition in a timely manner as provided for herein,
11 the real estate license of Respondent SITSEEFly shall automatically be suspended until
12 payment is made in full, or until a decision providing otherwise is adopted following a hearing
13 held pursuant to this condition.

14 Pursuant to California Business and Professions Code section 10148, Respondents
15 SITSEEFly and LEONIS shall pay, jointly and severally, the Commissioner's reasonable cost,
16 not to exceed \$4,650.14, for an audit to determine if Respondent SITSEEFly has corrected the
17 violations found in the Determination of Issues. In calculating the amount of the
18 Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary
19 for all persons performing audits of real estate broker(s), and shall include an allocation for travel
20 time to and from the auditor's place of work. Respondents SITSEEFly and LEONIS shall pay
21 such cost, jointly and severally, within sixty (60) days of receiving an invoice therefore from the
22 Commissioner. Payment of the audit costs should not be made until Respondents SITSEEFly
23 and LEONIS receive the invoice. If Respondents SITSEEFly and LEONIS fail to satisfy this
24 condition in a timely manner as provided for herein, the real estate licenses of Respondents
25 SITSEEFly and LEONIS shall automatically be suspended until payment is made in full, or
26 until a decision providing otherwise is adopted following a hearing held pursuant to this
27

1 condition.

2
3 (CONTINUING EDUCATION: LEONIS)

4 V.

5 Respondent LEONIS shall, within nine (9) months from the effective date of this
6 Decision and Order, present evidence satisfactory to the Commissioner that Respondent LEONIS
7 has, since the most recent issuance of an original or renewal real estate license, taken and
8 successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the
9 Real Estate Law for renewal of a real estate license. If Respondent LEONIS fails to satisfy this
10 condition, Respondent LEONIS's real estate license shall automatically be suspended until
11 Respondent LEONIS presents evidence satisfactory to the Commissioner of having taken and
12 successfully completed the continuing education requirements. Proof of completion of the
13 continuing education courses must be delivered to the Bureau of Real Estate, Flag Section at P.O.
14 Box 137013, Sacramento, CA 95813-7013.

15
16 (PROFESSIONAL RESPONSIBILITY EXAM: LEONIS)

17 VI.

18 Respondent LEONIS shall, within six (6) months from the effective date of this
19 Decision and Order, take and pass the Professional Responsibility Examination administered by
20 the Bureau of Real Estate including the payment of the appropriate examination fee. If
21 Respondent LEONIS fails to satisfy this condition, Respondent LEONIS's real estate license
22 shall automatically be suspended until Respondent LEONIS passes the examination.

23
24 DATED: 10/30/2015

25 
26 DIANE LEE, Counsel for
27 Bureau of Real Estate

1 * * *

2 EXECUTION OF THE STIPULATION

3 I, MICHAEL LEONIS, JR., individually and as the current designated officer of
4 SitSeeFly, Inc., have read the Stipulation and discussed it with my attorney, Frank Buda, Esq. Its
5 terms are understood by me, and are agreeable and acceptable to me and SITSEEFly, INC. I
6 understand that I am waiving rights given to me and SITSEEFly, INC. by the California APA
7 (including, but not limited to, California Government Code sections 11506, 11508, 11509, and
8 11513), and I, individually and as designated officer of SitSeeFly, Inc., willingly, intelligently,
9 and voluntarily waive those rights, including, but not limited to, the right of requiring the
10 Commissioner to prove the allegations in the Accusation at a hearing at which I, individually and
11 as designated officer of SitSeeFly, Inc., would have the right to cross-examine witnesses against
12 me and SITSEEFly, INC. and to present evidence in defense and mitigation of the charges.
13

14 MAILING AND FACSIMILE

15 Respondents SITSEEFly and LEONIS (1) shall mail the original signed
16 signature page of this Stipulation herein to Bureau of Real Estate, Attention: Legal Section –
17 Diane Lee, 320 West Fourth Street, Suite 350, Los Angeles, California 90013-1105.
18 Respondents SITSEEFly and LEONIS shall also (2) facsimile a copy of signed signature page,
19 to the Bureau of Real Estate at the following telephone/fax number: (213) 576-6917, Attention:
20 Diane Lee.

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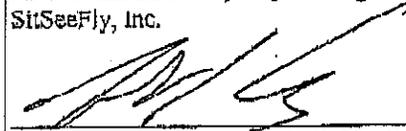
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A facsimile constitutes acceptance and approval of the terms and conditions of this Stipulation. Respondents SITSEEFly and LEONIS agree, acknowledge, and understand that by electronically sending to the Bureau of Real Estate a facsimile copy of the actual signatures of Respondents SITSEEFly and LEONIS as it appear on the Stipulation that receipt of the facsimile copy by the Bureau of Real Estate shall be as binding on Respondents SITSEEFly and LEONIS as if the Bureau of Real Estate had received the original signed Stipulation.

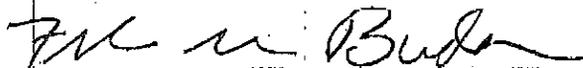
DATED: 10-30-15


MICHAEL LEONIS, JR., as designated officer of SitSeeFly, Inc.

DATED: 10-30-15


MICHAEL LEONIS, JR., individually

DATED: 10-30-15


FRANK BUDA, ESQ.
Attorney for Respondents SITSEEFly, INC. and MICHAEL LEONIS, JR.

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondents SITSEEFly, INC. and MICHAEL LEONIS, JR., and shall become effective at 12 o'clock noon on _____, 2015.

IT IS SO ORDERED _____, 2015.

REAL ESTATE COMMISSIONER

1 A facsimile constitutes acceptance and approval of the terms and conditions of
2 this Stipulation. Respondents SITSEEFly and LEONIS agree, acknowledge, and understand
3 that by electronically sending to the Bureau of Real Estate a facsimile copy of the actual
4 signatures of Respondents SITSEEFly and LEONIS as it appear on the Stipulation that receipt
5 of the facsimile copy by the Bureau of Real Estate shall be as binding on Respondents
6 SITSEEFly and LEONIS as if the Bureau of Real Estate had received the original signed
7 Stipulation.

8
9 DATED: _____
10 _____
11 MICHAEL LEONIS, JR., as designated officer of
12 SitSeeFly, Inc.

13 DATED: _____
14 _____
15 MICHAEL LEONIS, JR., individually

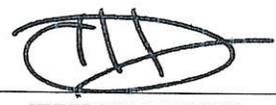
16 DATED: _____
17 _____
18 FRANK BUDA, ESQ.
19 Attorney for Respondents SITSEEFly, INC. and
20 MICHAEL LEONIS, JR.

21 * * *

22 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
23 Respondents SITSEEFly, INC. and MICHAEL LEONIS, JR., and shall become effective at 12
24 o'clock noon on **DEC 28 2015**, 2015.

25 IT IS SO ORDERED **DECEMBER 1**, 2015.

26 WAYNE S. BELL
27 REAL ESTATE COMMISSIONER



By: JEFFREY MASON
Chief Deputy Commissioner

- 11 -

1 DIANE LEE, Counsel (SBN 247222)
Bureau of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013

4 Telephone: (213) 576-6982
5 (Direct) (213) 576-6907
6
7

FILED

FEB - 3 2015

BUREAU OF REAL ESTATE

By 

8 BEFORE THE BUREAU OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)	No. H-39728 LA
)	
12 SITSEEFly, INC.; JEFFREY)	<u>ACCUSATION</u>
13 CARL AULT, individually and as)	
designated officer of Sitseefly Inc.,)	
14 and MICHAEL LEONIS, JR.,)	
)	
15 Respondents.)	
)	

17 The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the
18 State of California, acting in her official capacity, for cause of Accusation against SITSEEFly,
19 INC. ("SITSEEFly") dba Real Property Management Residential, JEFFREY CARL AULT
20 ("AULT"), individually and as designated officer of Sitseefly, Inc., and MICHAEL LEONIS,
21 JR. ("LEONIS"), is informed and alleges as follows:

22 1.

23 The Complainant, Maria Suarez, acting in her official capacity as Deputy Real
24 Estate Commissioner of the State of California, makes this Accusation.

25 ///

26 ///

27

1 2.

2 All references to the "Code" are to the California Business and Professions
3 Code, and all references to "Regulations" are to Title 10, Chapter 6, California Code of
4 Regulations unless otherwise specified.

5 3.

6 A. SITSEEFly, INC.: Respondent SITSEEFly is presently licensed
7 and/or issued by the Bureau of Real Estate as a real estate corporate broker (license no.
8 01910239). On May 31, 2012, SITSEEFly was originally licensed as a corporate real estate
9 broker by and through AULT.

10 B. JEFFREY CARL AULT: Respondent AULT is presently licensed
11 and/or issued by the Bureau of Real Estate as a real estate broker (license no. 01386369). On
12 December 10, 2005, AULT was originally licensed as a real estate broker. From May 28, 2003
13 to December 9, 2005, AULT was licensed or had license rights issued by the Bureau of Real
14 Estate as a real estate salesperson.

15 C. MICHAEL LEONIS, JR.: Respondent LEONIS is the sole owner of
16 SITSEEFly. LEONIS is presently licensed and/or issued by the Bureau of Real Estate as a
17 real estate broker (license no. 01452712). On May 27, 2014, LEONIS was originally licensed
18 as a real estate broker. From September 13, 2004 to May 26, 2014, LEONIS had a real estate
19 salesperson license.

20 4.

21 Whenever reference is made in an allegation in this Accusation to an act or
22 omission of "Respondents," such allegation shall be deemed to mean that the officers, directors,
23 employees, agents, and real estate licensees employed by or associated with Respondents
24 committed such act or omission while engaged in the furtherance of the business or operations
25 of Respondents and while acting within the course and scope of their corporate authority and
26 employment, including AULT and LEONIS.

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5.

At all times mentioned, in the City of Chino, County of San Bernardino, SITSEEFly and AULT engaged in the business of real estate brokers conducting licensed activities within the meaning of Code section 10131(b). SITSEEFly and AULT engaged in operating a real property management company by leasing, renting, and/or offering to rent places for rent, soliciting for prospective tenants, and/or collecting rents from real property.

FIRST CAUSE OF ACCUSATION

(Trust Fund Audit)

6.

On or about June 25, 2013, the Bureau of Real Estate completed a property management audit examination of the books and records of SITSEEFly limited to determine whether SITSEEFly handled and accounted for trust funds and conducted its real estate activities in accordance with the Real Estate Law and Regulations. The audit examination covered a period of time beginning on May 31, 2012 and ended on January 31, 2013. The audit examination revealed violations of the Code and the Regulations set forth in the following paragraphs, and more fully discussed in Audit Report LA120208 and the exhibits and work papers attached to said audit report.

Bank Account and Trust Accounts

7.

At all times mentioned, in connection with the activities described in Paragraph 4, above, SITSEEFly accepted or received funds including funds in trust ("trust funds") from or on behalf of actual or prospective parties, such as owners of real property, involved in property management services, and thereafter made deposits and/or disbursements of such funds. From time to time herein mentioned, during the audit period, said trust funds were

1 deposited and/or maintained by SITSEEFly in the bank account as follows:

2 "Sitseefly, Inc.
3 DBA Real Property Management Residential"
4 *****5428
5 Wells Fargo Bank
6 P.O. Box 6995
7 Portland, OR 97228-6995 (T/A #1)

8 "Sitseefly, Inc.
9 DBA Real Property Management Residential"
10 *****8962
11 Wells Fargo Bank
12 P.O. Box 6995
13 Portland, OR 97228-6995 (T/A #2)

14 "Sitseefly, Inc.
15 DBA Real Property Management Residential"
16 *****5766
17 Wells Fargo Bank
18 P.O. Box 6995
19 Portland, OR 97228-6995 (G/A #1)

20 8.

21 In the course of activities described in Paragraphs 5 and 7, above, and during the
22 audit examination period in Paragraph 6, above, Respondents SITSEEFly, AULT, and
23 LEONIS acted in violation of the Code and the Regulations as set forth below:

24 (a)(1) Permitted, allowed, or caused the disbursement of trust funds from the
25 trust account T/A #1 where the disbursement of funds reduced the total of aggregate funds in
26 T/A #1, to an amount which, on January 31, 2013, was \$17.65 less than the existing aggregate
27 trust fund liability to every principal who was an owner of said funds, without first obtaining
the prior written consent of the owners of said funds, in violation of Code section 10145 and
Regulations section 2832.1. The shortage was due to unidentified and/or unaccounted for
funds.

(a)(2) Permitted, allowed, or caused the disbursement of trust funds from the
general account G/A #1 where the disbursement of funds reduced the total of aggregate funds in

1 G/A #1, to an amount which, on January 31, 2013, was \$1,490.46 less than the existing
2 aggregate trust fund liability to every principal who was an owner of said funds, without first
3 obtaining the prior written consent of the owners of said funds, in violation of Code sections
4 10145, 10176(i), and 10177(j) and Regulations section 2832.1. The shortage was due to
5 unauthorized disbursements to SITSEEFly totaling \$1,490.46.

6 (b)(1) Deposited property management trust funds into bank account T/A #1,
7 but failed to designate it as a trust account, in violation of Code section 10145 and Regulations
8 section 2832(a).

9 (b)(2) Deposited Eviction Protection Plan fees into bank account G/A #1, but
10 failed to designate it as a trust account, in violation of Code section 10145 and Regulations
11 section 2832(a).

12 (b)(3) Instructed tenants to deposit rents and security deposits into
13 Propertyware, Inc.'s bank account, but failed to designate it as a trust account, in violation of
14 Code section 10145 and Regulations section 2832(a).

15 (c) Failed to maintain a control record in the form of a columnar record in
16 chronological order of all trust funds, including the Eviction Protection Plan fees, that were
17 received, deposited, and disbursed, for the bank account G/A #1 in violation of Code section
18 10145 and Regulations section 2831.

19 (d) Failed to maintain an accurate and complete separate record for each
20 property owner from whom the Eviction Protection Plan fees were collected, thereby failing to
21 account for all trust funds received, deposited, and disbursed, in violation of Code section
22 10145 and Regulations section 2831.1.

23 (e) Commingled trust funds, such as rents and security deposits received
24 from tenants, by depositing them into general bank account G/A #1 in April 2012 and May
25 2012, in violation of Code sections 10145 and 10176(e).

1 (f)(1) Permitted LEONIS, who was not licensed to SITSEEFly and unbonded
2 at all times during the audit examination period (i.e., May 31, 2012 through January 31, 2013),
3 to be an authorized signatory on bank account T/A #1, in violation of Code section 10145 and
4 Regulations section 2834(a).

5 (f)(2) AULT, the designated officer of SITSEEFly, was not a signatory on the
6 bank account T/A #1, in violation of Code section 10145 and Regulations section 2834(b).

7 (g) Failed to disclose compensation and obtain approval from property
8 owners for charging them mark-ups on repairs, in violation of Code sections 10145 and
9 10176(g). These maintenance overcharges include, but are not limited, to the following:

<u>Property address</u>	<u>Payment date</u>	<u>Amount paid</u>	<u>Invoice amount</u>	<u>Mark-ups</u>
6373 Hamilton Ct.	08/30/2012	\$35.28	\$20.28	\$15.00
6373 Hamilton Ct.	11/05/2012	\$145.69	\$75.69	\$70.00
6302 Narcissus Ln.	08/30/2012	\$61.67	\$41.67	<u>\$20.00</u>
				\$105.00

15 9.

16 The conduct of Respondents SITSEEFly, AULT, and LEONIS described in
17 Paragraph 8, above, violated the Code and the Regulations as set forth below:

18 PARAGRAPH

PROVISIONS VIOLATED

19 8(a)(1)	Code section 10145 and Regulations section 2832.1
20 8(a)(2)	Code sections 10145, 10176(i), and 10177(j) and Regulations 21 section 2832.1
22 8(b)(1)	Code section 10145 and Regulations section 2832(a)
23 8(b)(2)	Code section 10145 and Regulations section 2832(a)
24 8(b)(3)	Code section 10145 and Regulations section 2832(a)
25 8(c)	Code section 10145 and Regulations section 2831
26 8(d)	Code section 10145 and Regulations section 2831.1

- 1 8(e) Code sections 10145 and 10176(e)
2 8(f)(1) Code section 10145 and Regulations section 2834(a)
3 8(f)(2) Code section 10145 and Regulations section 2834(b)
4 8(g) Code sections 10145 and 10176(g)

5 The foregoing violations constitute cause for discipline of the real estate license and license
6 rights of SITSEEFly, AULT, and LEONIS under the provisions of Code sections 10177(d)
7 and/or 10177(g).

8
9 SECOND CAUSE OF ACCUSATION

10 (Supervision and Compliance)

11 10.

12 The overall conduct of Respondent AULT constitutes a failure on said
13 Respondent's part, as officer designated by a corporate broker licensee, to exercise the
14 reasonable supervision and control over the licensed activities of SITSEEFly and LEONIS as
15 required by Code sections 10159.2, and to keep SITSEEFly in compliance with the Real
16 Estate Law, requiring a real estate license, and is cause for discipline of the real estate license
17 and real estate license rights of Respondent AULT and LEONIS pursuant to Code sections
18 10177(d), 10177(g), and 10177(h) and Regulations section 2725.

19
20 THIRD CAUSE OF ACCUSATION

21 (Unlicensed Activity)

22 11.

23 In April 2012 and May 2012, Respondents SITSEEFly and LEONIS engaged
24 in activities requiring a broker license (ex., providing property management services for the
25 public and collecting rents and security deposits) without first obtaining a broker license from
26 the Bureau of Real Estate, in violation of Code section 10130.

1 FOURTH CAUSE OF ACCUSATION

2 (Negligence)

3 12.

4 Respondents SITSEEFly, AULT, and LEONIS failed to notify the Bureau of
5 Real Estate of the employment of LEONIS, a then-salesperson, in a timely manner, in violation
6 of Code section 10161.8 and Regulations section 2752. According to the Broker Agreement,
7 LEONIS was employed by SITSEEFly on of about November 29, 2011. However, the Bureau
8 of Real Estate was not notified of LEONIS's employment with SITSEEFly until on or about
9 February 25, 2014.

10
11 FIFTH CAUSE OF ACCUSATION

12 (Negligence)

13 13.

14 The overall conduct of Respondents SITSEEFly, AULT, and LEONIS
15 constitutes negligence and is cause for discipline of the real estate license and license rights of
16 said Respondents pursuant to the provisions of Code section 10177(g).

17
18 SIXTH CAUSE OF ACCUSATION

19 (Fiduciary Duty)

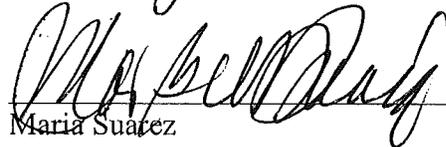
20 14.

21 The conduct, acts, and omissions of Respondents SITSEEFly, AULT, and
22 LEONIS constitute a breach of fiduciary duty owed to SITSEEFly's clients of good faith,
23 trust, confidence, and candor within the scope of their contractual relationship in violation of
24 Code sections 10176(i) and/or 10177(g), and constitutes cause for discipline of the real estate
25 license and license rights of said Respondents.

26 ///

1 WHEREFORE, Complainant prays that a hearing be conducted on the
2 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
3 disciplinary action against the license and license rights of SITSEEFly, INC., JEFFREY
4 CARL AULT, individually and as designated officer of Sitseefly, Inc., and MICHAEL
5 LEONIS, JR. under the Real Estate Law (Part 1 of Division 4 of the California Business and
6 Professions Code), for the cost of investigation and enforcement pursuant to Code section
7 10106 and as permitted by law, and for such other and further relief as may be proper under
8 other applicable provisions of law, including costs of audit pursuant to Code section 10148(b)
9 and repayment of \$105.00 in maintenance overcharges as described in Paragraph 8(g), above.

10 Dated at Los Angeles, California: 20 January, 2014

11
12 
13 Maria Suarez
14 Deputy Real Estate Commissioner

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16
17
18
19
20 cc: Sitseefly, Inc. c/o Jeffrey Carl Ault
21 Jeffrey Carl Ault
22 Michael Leonis, Jr.
23 Maria Suarez
24 Sacto
25 Enforcement
26 Audits – Lisa Kwong
27