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MAR 31 1989

DEPARTMENT OF REAL ESTATE  
BY *K. Mederholt*

DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of ) No. H-355 SA  
ARJAY E. SMITH, aka )  
Arjay Smith, )  
Respondent. )

ORDER GRANTING REINSTATEMENT OF LICENSE

On April 13, 1984, a Decision was rendered herein revoking the real estate salesperson license of respondent, effective June 7, 1984, but granting respondent the right to the issuance of a restricted real estate salesperson license. A restricted real estate salesperson license was issued to respondent on August 17, 1984, and respondent has operated as a restricted licensee without cause for disciplinary action against respondent since that time.

On August 30, 1988, respondent petitioned for reinstatement of said real estate salesperson license and the Attorney General of the State of California has been given notice of the filing of said petition.

1 I have considered the petition of respondent and the  
2 evidence and arguments in support thereof including respondent's  
3 record as a restricted licensee. Respondent has demonstrated to  
4 my satisfaction that grounds do not presently exist to deny the  
5 issuance of an unrestricted real estate salesperson license to  
6 respondent.

7 NOW, THEREFORE, IT IS ORDERED that respondent's petition  
8 for reinstatement is granted and that an unrestricted real estate  
9 salesperson license be issued to respondent after respondent  
10 satisfies the following conditions within one (1) year from the  
11 date of this Order:

12 1. Submittal of a completed application and payment  
13 of the fee for a real estate salesperson license.

14 2. Submittal of evidence satisfactory to the Real  
15 Estate Commissioner that respondent has, since the most recent  
16 issuance of an original or renewal real estate license, taken and  
17 successfully completed the continuing education requirements of  
18 Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a  
19 real estate license.

20 This Order is effective immediately.

21 DATED: March 27, 1989

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JAMES A. EDMONDS, JR.  
Real Estate Commissioner

By: John R. Liberator  
JOHN R. LIBERATOR  
Chief Deputy Commissioner

cc: Arjay E. Smith  
500 Playa  
Newport Beach, CA 92660

*Suits  
Log*

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FILED

MAY 22 1987

DEPARTMENT OF REAL ESTATE  
BY *Jama B. Davis*

DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of ) NO. H-355 SA  
ARJAY E. SMITH, )  
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Respondent. )

ORDER GRANTING REINSTATEMENT OF LICENSE

On April 13, 1984, a Decision was rendered herein revoking the real estate salesperson license of respondent, effective June 7, 1984, but granting respondent the right to the issuance of a restricted real estate salesperson license. A restricted real estate salesperson license was issued to respondent on August 17, 1984, and respondent has operated as a restricted licensee without cause for disciplinary action against respondent since that time.

On June 3, 1986, respondent petitioned for reinstatement of said real estate salesperson license and the

1 Attorney General of the State of California has been given notice  
2 of the filing of said petition.

3 I have considered the petition of respondent and the  
4 evidence and arguments in support thereof including respondent's  
5 record as a restricted licensee. Respondent has demonstrated to  
6 my satisfaction that grounds do not presently exist to deny the  
7 issuance of an unrestricted real estate salesperson license to  
8 respondent.

9 NOW, THEREFORE, IT IS ORDERED that respondent's petition  
10 for reinstatement is granted and that an unrestricted real estate  
11 salesperson license be issued to respondent after respondent  
12 satisfies the following conditions within one (1) year from the  
13 date of this Order:

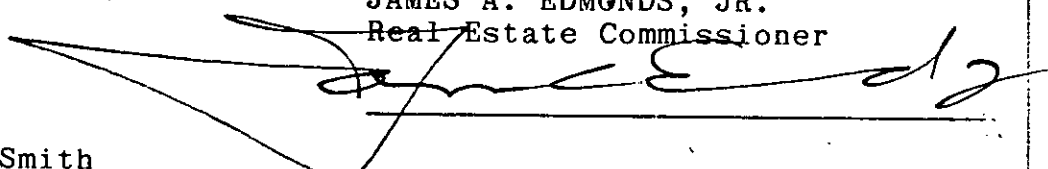
14 1. Submittal of a completed application and payment of  
15 the fee for a real estate salesperson license.

16 2. Submittal of evidence satisfactory to the Real  
17 Estate Commissioner that respondent has, since the most recent  
18 issuance of an original or renewal real estate license, taken and  
19 successfully completed the continuing education requirements of  
20 Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a  
21 real estate license.

22 This Order shall become effective immediately.

23 DATED: 5-11-87

24 JAMES A. EDMONDS, JR.  
25 Real Estate Commissioner

26   
27 cc: Arjay E. Smith  
18 Vienna  
Newport Beach, CA 92660

lbo

FILED

MAY -7 1984

DEPARTMENT OF REAL ESTATE  
BY R. Medenbalk

*Arjay Smith*

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DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of	)	No. H-355 SA
	)	
ARJAY E. SMITH, aka	)	L-30848
Arjay Smith,	)	
	)	
Respondent.	)	

ORDER STAYING EFFECTIVE DATE

On April 13, 1984, a Decision was rendered in the above-entitled matter to become effective May 8, 1984.

IT IS HEREBY ORDERED that the effective date of the Decision of April 13, 1984, is stayed for a period of thirty days.

The Decision of April 13, 1984, shall become effective at 12 o'clock noon on June 7, 1984.

DATED: 5/7/84

JAMES A. EDMONDS, JR.  
Real Estate Commissioner

By: *Robert Arnold*  
ROBERT ARNOLD  
Regional Manager

FILED

BEFORE THE DEPARTMENT OF REAL ESTATE

APR 18 1984

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE  
BY *R. Edelstein*

\* \* \*

In the Matter of the Accusation of )  
ARJAY E. SMITH, aka )  
Arjay Smith, )  
Respondent. )

NO. H-355 SA

L-30848

DECISION

The Proposed Decision of the Administrative Law Judge dated April 6, 1984, is hereby adopted as the Decision of the Real Estate Commissioner in this proceeding with the following exception:

Condition A of the ORDER of the Proposed Decision is not adopted and shall not be part of the Decision.

The Decision revokes respondent's real estate salesperson license on the ground of the conviction of a crime. The right to reinstatement of a revoked real estate license is controlled by Section 11522 of the Government Code. A copy of Section 11522 and a copy of the Real Estate Commissioner's Criteria of Rehabilitation are attached hereto for the information and guidance of respondent.

This Decision shall become effective at 12 o'clock noon on May 8, 1984.

IT IS SO ORDERED April 13, 1984.

JAMES A. EDMONDS, JR.  
Real Estate Commissioner

By:

*Robert P. Martinez*  
ROBERT P. MARTINEZ  
Chief Deputy Commissioner



the Department of Real Estate of the State of California as a real estate salesperson.

### III

On April 22, 1983 in a proceeding before the District Court of the Fifth Judicial District of the State of Idaho entitled The State of Idaho, Plaintiff v. Arjay Smith, Defendant, Case No. 3504 respondent entered a plea of guilty to the violation of Idaho Code Section 18-2403, to wit; Grand Theft. Pursuant to California law respondent has been convicted of a felony until such time as the court takes appropriate action and determines that the offense is a misdemeanor. The offense is one which does involve moral turpitude.

Respondent's arrest and conviction arose in the summer of 1982 when respondent and his family went to Sun Valley, Idaho and resided for a period of time at the Sun Valley Hotel. Respondent had previously resided in the State of Idaho and had been a licensed real estate salesman in that state. Respondent had returned to Idaho in order to close a real estate transaction whereby he anticipated that he would receive a very substantial sum of cash. Unfortunately this escrow did not close, the transaction became the subject of rather extensive litigation. Respondent received no money and he found himself unable to pay the bill he had incurred at the hotel for food, lodging and entertainment.

During the time that respondent held a real estate license in Idaho he became associated with one Larry Leisure. When these parties terminated their association there were various disputes regarding sums due respondent from Larry Leisure. A document was entered into whereby in settlement of these various obligations Larry Leisure would pay \$10,000 to respondent over a period of time. Respondent's bill at the Sun Valley Hotel was approximately \$7,300. Respondent did negotiate with the hotel management and Larry Leisure whereby Larry Leisure would pay this hotel bill on behalf of respondent over a period of time. For some reason Larry Leisure failed to pay the required sums. Time dragged on, the hotel was not paid either by Larry Leisure or by respondent and ultimately in December, 1982 the hotel caused the criminal complaint to be issued and sometime thereafter the complaint was served upon respondent at his residence in Laguna Beach.

Respondent did personally appear before the Judge of the Fifth Judicial Court in Idaho. He entered his plea of guilty to that charge. Respondent was ordered to make restitution in the amount of \$7,300 and in addition he was ordered to pay a fine in the amount of \$1,000 and respondent was placed on unsupervised probation.



IV

Restitution has now been made and respondent has paid the \$1,000 fine. Respondent does point out that in the criminal proceeding the court did not enter a judgment of conviction and did indicate that the charges would be dismissed when the required sums were paid. The criminal proceeding was dismissed as of January 23, 1984.

\* \* \* \* \*

Pursuant to the foregoing findings of fact, the Administrative Law Judge makes the following determination of issues:

Grounds for disciplinary action have been established pursuant to the provisions of Sections 490 and 10177(b) of the Business and Professions Code. Respondent has been convicted of a crime which does bear a substantial relationship to the qualifications, functions and duties of a real estate licensee.

This respondent seems to minimize any possible wrongdoing on his part. Certainly he would have paid the Sun Valley Hotel if the escrow had closed and if he had received the sizeable sum he anticipated. Nonetheless, respondent did spend money which he did not have. While respondent probably intended no criminal misconduct, his actions were far from prudent and he did expose a company to substantial loss. Even conceding that respondent had financial problems at this time, his efforts to pay this obligation appeared to be modest at best. It is truly hoped that the modest sanction imposed herein will serve as the most serious possible warning to respondent that he is expected to conduct his affairs in a responsible manner and that future misconduct cannot be tolerated.

\* \* \* \* \*

WHEREFORE, THE FOLLOWING ORDER is hereby made:

The real estate salesperson license and all other license rights of respondent under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) are hereby revoked; provided, however, that a restricted real estate salesperson's license shall be issued to respondent pursuant to Section 10156.5 of the Business and Professions Code if respondent makes application and pays the fee for said license to the Department of Real Estate within ninety 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 Business and Professions Code and to the following limitations, conditions and restrictions imposed under the authority of Section 10156.6 of said Code:

*repealed*

A. Should respondent apply for and receive a restricted real estate salesperson license as described above then within thirty days following the issuance of said restricted license respondent shall submit evidence satisfactory to the Real Estate Commissioner which will establish that respondent has in fact paid the obligation due Sun Valley Hotel as well as the \$1,000 fine and that the criminal proceeding in Idaho has been dismissed. Should respondent fail to present this evidence then said restricted license may be suspended prior to hearing by order of the Real Estate Commissioner for a term of no more than sixty days.

B. Said restricted license may be suspended prior to hearing by order of the Real Estate Commissioner in the event of respondent's conviction (including a plea of nolo contendere) of a crime which bears a substantial relationship to respondent's fitness or capacity as a real estate licensee.

C. Said restricted license 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 conditions attaching to said restricted license.

D. With his application for license or with his license for transfer to a new employing broker respondent shall submit a statement signed by his prospective employing broker on a form approved by the Department of Real Estate wherein the employing broker shall certify as follows:

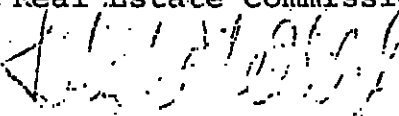
1. That the broker has read the decision which is the basis for the issuance of the restricted license; and
2. That the broker will carefully review all transaction documents prepared by the restricted licensee and otherwise exercise close supervision over the licensee's performance of acts for which a license is required.

E. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor the removal of any of the conditions, limitations or restrictions attaching

to the restricted license until two years have elapsed from the date of the issuance of the restricted license to respondent.

I hereby submit the foregoing which constitutes my Proposed Decision in the above-entitled matter, as a result of the hearing had before me on February 8, 1984, at Los Angeles, California and recommend its adoption as the decision of the Real Estate Commissioner.

DATED: 11-6-84

  
JOHN A. WILLD  
Administrative Law Judge  
Office of Administrative Hearings

JAW:mh

SACTO

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

*James A. Edmonds, Jr.*

In the Matter of the Accusation of

ARJAY E. SMITH,  
aka Arjay Smith

Case No. H-355 SA  
L-30848

Respondent(s)

NOTICE OF HEARING ON ACCUSATION

TO THE ABOVE NAMED RESPONDENT:

YOU ARE HEREBY NOTIFIED that a hearing will be held before the Department of Real Estate at 314 West First Street, Los Angeles, California 90012,

on the 8th day of February, 1984, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the charges made in the Accusation served upon you.

You may be present at the hearing, and you may be represented by counsel, but you are neither required to be present at the hearing nor to be represented by counsel. If you are not present in person, nor represented by counsel at the hearing, the Department may take disciplinary action against you upon any express admissions, or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

DATED: November 7, 1983

cc: Arjay E. Smith  
Crookall Shirley & Co.  
Sacto.  
OAH  
BSV

JAMES A. EDMONDS, JR.  
DEPARTMENT OF REAL ESTATE

By *Louise S. Hauptman*  
Counsel

Sacto 2/2/93

FILED

SEP -8 1993

DEPARTMENT OF REAL ESTATE  
Laurie B. Orona

1 DONNA S. HAUPTMAN, Counsel  
Department of Real Estate  
2 107 South Broadway, Room 8107  
Los Angeles, CA 90012  
3 (213) 620-4790  
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8 DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \* \*

11 In the Matter of the Accusation of ) NO. H-355 SA  
12 ARJAY E. SMITH, aka )  
13 Arjay Smith, ) A C C U S A T I O N  
14 Respondent. )  
15 )

16 The complainant, William Hunter, a Deputy Real Estate  
17 Commissioner of the State of California, for cause of accusation  
18 against ARJAY E. SMITH, aka Arjay Smith, alleges as follows:

19 I

20 The complainant, William Hunter, a Deputy Real Estate  
21 Commissioner of the State of California, makes this Accusation in  
22 his official capacity.

23 II

24 ARJAY E. SMITH, aka Arjay Smith (hereinafter referred  
25 to as respondent) is presently licensed and/or has license rights  
26 under the Real Estate Law (Part 1 of Division 4 of the Business and  
27 Professions Code).

1 III

2 At all times herein mentioned, respondent was licensed  
3 by the Department of Real Estate of the State of California as a  
4 real estate salesperson.

5 IV

6 On or about April 22, 1983, in the District Court of  
7 the Fifth Judicial District of the State of Idaho, In and For the  
8 County of Blaine, respondent was convicted on his plea of guilty  
9 of the crime of violating Idaho Code Section 18-2403 (Grand  
10 Theft), a felony and a crime involving moral turpitude.

11 V

12 The crime of which respondent was convicted bears a  
13 substantial relationship to the qualifications, functions or  
14 duties of a real estate licensee.

15 VI

16 Respondent's criminal conviction, as alleged above,  
17 is cause under Sections 490 and 10177(b) of the Business and  
18 Professions Code for suspension or revocation of all licenses and  
19 license rights of respondent under the Real Estate Law.

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WHEREFORE, complainant prays that a hearing be conducted on the allegations of this Accusation and, that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of respondent ARJAY E. SMITH, aka Arjay Smith under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Santa Ana, California  
this 8th day of September, 1983.

.....  
WILLIAM HUNTER  
Deputy Real Estate Commissioner

cc: Arjay E. Smith  
Crookall Shirley & Co.  
Sacto.  
BSV