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FILED
SEP 01 2011
DEPARTMENT OF REAL ESTATE
By L. Frost

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of

TERRI DARLENE HENDRICKSON,

Respondent.

No. H-1972 SAC

ORDER GRANTING REINSTATEMENT OF LICENSE

On August 4, 1984, in Case No. H-1972 SAC, a Decision was rendered revoking the real estate salesperson license of Respondent.

On May 5, 2010, 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 the petition.

I have considered Respondent's petition and the evidence and arguments in support thereof. Respondent has demonstrated to my satisfaction that Respondent meets the requirements of law for the issuance to Respondent of an unrestricted real estate salesperson license and that it would not be against the public interest to issue said license to Respondent.

NOW, THEREFORE, IT IS ORDERED that Respondent's petition for reinstatement is granted and that a real estate salesperson license be issued to Respondent if

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Respondent satisfies the following conditions within twelve (12) months from the date of this order:

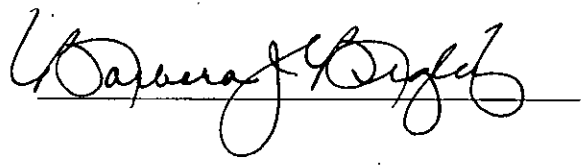
1. Respondent shall qualify for, take and pass the real estate salesperson license examination.

2. Submittal of a completed application and payment of the fee for a real estate salesperson license.

This Order shall become effective immediately.

DATED: 8/3/11

BARBARA J. BIGBY
Acting Real Estate Commissioner



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FILED

DEC 20 2005

DEPARTMENT OF REAL ESTATE

By *Juan Arment*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-1972 SAC
)	
TERRI DARLENE HENDRICKSON,)	
)	
)	
)	
Respondent.)	

ORDER GRANTING REINSTATEMENT OF LICENSE

On August 4, 1984, a Decision was rendered herein revoking the real estate salesperson license of Respondent.

On August 9, 2004, 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 the petition.

I have considered Respondent's petition and the evidence and arguments in support thereof. Respondent has demonstrated to my satisfaction that Respondent meets the requirements of law for the issuance to Respondent of a real estate salesperson license and that it would not be against the public interest to issue said license to her.

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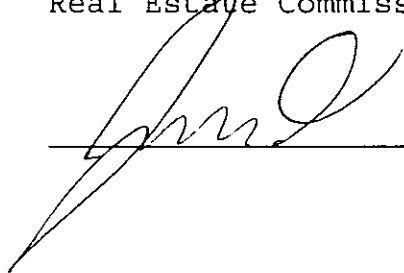
NOW, THEREFORE, IT IS ORDERED that Respondent's
petition for reinstatement is granted and that a real estate
salesperson license be issued to Respondent if Respondent
satisfies the following conditions within nine months from the
date of this Order:

1. Respondent shall take and pass the real estate
salesperson license examination.
2. Submittal of a completed application and payment of
the fee for a real estate salesperson license.

This Order shall be effective immediately.

DATED: 12-13, 2005.

JEFF DAVI
Real Estate Commissioner



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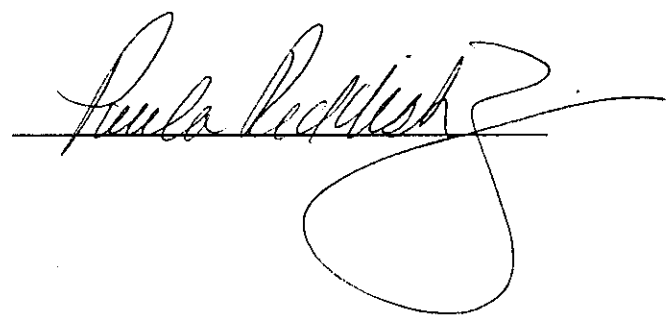
NOW, THEREFORE, IT IS ORDERED that Respondent's
petition for reinstatement is granted and that a real estate
salesperson license be issued to Respondent, if Respondent
satisfies the following conditions within nine months from the
date of this Order:

1. Respondent shall take and pass the real estate
salesperson license examination.
2. Submittal of a completed application and payment of
the fee for a real estate salesperson license.
3. Submittal of evidence of having, 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.

This Order shall be effective immediately.

DATED: December 29, 2002

PAULA REDDISH ZINNEMANN
Real Estate Commissioner



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NOW, THEREFORE, IT IS ORDERED that Respondent's petition
for reinstatement is granted and that a real estate salesperson
license be issued to Respondent if Respondent satisfies the
following conditions within six (6) months from the date of this
Order:

1. Respondent shall take and pass the real estate
salesperson license examination.
2. Submittal of a completed application and payment of
the fee for a real estate salesperson license.

This Order shall become effective immediately.

DATED: 12.7.90

CLARK WALLACE
Real Estate Commissioner

Clark Wallace

FILED
JUL 27 1989

DEPARTMENT OF REAL ESTATE

By Laurie A. Gian

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of))	
TERRI DARLENE HENDRICKSON,))	NO. H-1972 SAC
et al.,))	
Respondent.))	

ORDER DENYING REINSTATEMENT OF LICENSE

On August 6, 1984, a Decision was rendered herein revoking the real estate salesperson license of Respondent TERRI DARLENE HENDRICKSON.

On August 18, 1988, Respondent petitioned for reinstatement of said license and the Attorney General of the State of California has been given notice of the filing of the petition.

I have considered Respondent's petition and the evidence and arguments in support thereof. Respondent has failed to demonstrate to my satisfaction that Respondent has undergone sufficient rehabilitation to warrant the reinstatement of Respondent's real estate salesperson license, in that on

1 March 28, 1985, Respondent was convicted of a violation of
2 Sections 182 and 532a of the Penal Code (Conspiracy To Make False
3 Financial Statements). As a result of that conviction, Respondent
4 was placed on probation for sixty (60) months. Consequently,
5 Respondent has not yet completed probation. In view of the
6 criminal conviction occurring after the revocation of Respondent's
7 license and because Respondent has not completed probation,
8 Respondent has not demonstrated rehabilitation under Section 2911
9 of Title 10, California Code of Regulations sufficient to warrant
10 the reinstatement of Respondent's license.

11 NOW, THEREFORE, IT IS ORDERED that Respondent's petition
12 for reinstatement of Respondent's real estate salesperson license
13 is denied.

14 This Order shall be effective at 12 o'clock noon on
15 August 17, 1989 .

16 DATED: July 25, 1989

17 JAMES A. EDMONDS, JR.
18 Real Estate Commissioner

19 By: John R. Liberator
20 JOHN R. LIBERATOR
21 Chief Deputy Commissioner

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DEPARTMENT OF REAL ESTATE

Laurie A. Gian

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
STEVEN FREDRICK RITTS,)	NO. H-1972 SAC
Respondent.)	

ORDER GRANTING REINSTATEMENT OF LICENSE

On February 14, 1985, a Decision was rendered herein revoking the real estate salesperson license of Respondent, 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 8, 1985 and Respondent has operated as a restricted licensee without cause for disciplinary action against Respondent since that time.

On August 4, 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 Respondent meets the requirements of law for
5 the issuance to Respondent of an unrestricted real estate
6 salesperson license and that it would not be against the public
7 interest to issue said license to him.

8 NOW, THEREFORE, IT IS ORDERED that Respondent's petition
9 for reinstatement is granted and that a real estate salesperson
10 license be issued to Respondent if Respondent satisfies the
11 following conditions within six (6) months from the date of this
12 Order:

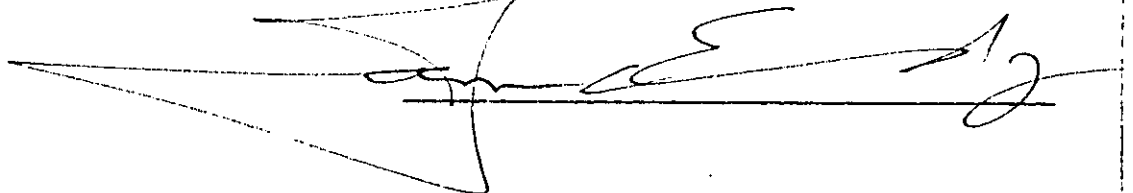
13 1. Submittal of a completed application and payment of
14 the fee for a real estate salesperson license.

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

20 This Order shall be effective immediately.

21 DATED: 3-15-89

22 JAMES A. EDMONDS, JR.
23 Real Estate Commissioner

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I have considered the petition of respondent and the evidence and arguments in support thereof including his record as a restricted licensee. Respondent has demonstrated to my satisfaction that he meets the requirements of law for the issuance to him of an unrestricted real estate salesperson license and that it would not be against the public interest to issue said license to him

NOW, THEREFORE, IT IS ORDERED that respondent's petition for reinstatement is granted and that a real estate salesperson license be issued to him if he submits a completed application and payment of the fee for a real estate salesperson license within 90 days from the date of this Order.

This Order shall be effective immediately.

DATED: November 11, 1986

JAMES A. EDMONDS, JR.
Real Estate Commissioner

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

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)
) No. H-1972 SAC
ROY DAVID ZATTIERO))
) OAH No. N-22035
))
) Respondent.
_____)

PROPOSED DECISION

This matter came on for hearing before Leonard L. Scott, Administrative Law Judge of the Office of Administrative Hearings, State of California, on June 18, 19, 21, 22 and 25, and on October 5, 1984 and March 21, 1985, in Sacramento, California.

Larry Alamao, Staff Counsel, represented the complainant.

Joel Shawn, Attorney at Law, made a special appearance in behalf of Roy David Zattiero for purposes of a motion, then withdrew. Thereafter, Zattiero appeared in his own behalf.

The matters regarding the other named respondents were severed from the matters regarding respondent Zattiero and were dealt with in previous Decisions.

Evidence was received, the hearing was closed and the matter was submitted.

The Administrative Law Judge certifies this decision and recommends its adoption.

FINDINGS OF FACT

I

Duane A. Aasland, Deputy Real Estate Commissioner of the State of California, filed the Accusation against respondent. Aasland acted in his official capacity.

II

At all times relevant to this matter, Zattiero was licensed as a real estate salesperson in the State of California.

III

Inge Maria Beck is licensed as a real estate broker in the State of California and has been active as such since 1972.

IV

Clark and McGrath Construction Company built the Winchester Oaks condominiums at 2510 Winchester Drive, Lodi, California. They had difficulty selling the units. A group of realtors offered to arrange the sale of the unsold units. After negotiations, a total price for all of the unsold units, a financing package and the amounts of real estate commissions were agreed upon.

V

Michael McGrath acted on behalf of Clark and McGrath during the negotiations. He testified that Zattiero was not involved in the negotiations and was not mentioned during them.

VI

Zattiero attended a meeting at the home of one of those promoting the sale of the condominium units. He invited Kathryn Korn to attend and induced her to act as buyer of one of the units by assuring her that no money or risk was involved. There would be no money down, 100 percent financing and an equity of about \$5,000.00 in each unit. If it did not work out, then no payments need be made and the builder would end up with the loss. Korn and Zattiero signed up as purchasers of one unit each at that meeting.

VII

Escrow closed on the sale of the condominiums on or about November 15, 1982.

VIII

Zattiero did not act as a real estate agent during the transaction and did not receive any of the real estate commissions paid.

IX

Haley Property Management acted as rental agent for the condominiums both before and after the sale. They collected rent and security deposits from the tenants of those units that were rented. They did not pay any of the rent or security deposits to Zattiero.

X

On or about August 1, 1982, Zattiero contracted to purchase a business known as Vogue Fitness Center from Kathryn Korn (Korn) and Julie Townley. Vogue Fitness Center was located at 1625 W. Imola in Napa, California in a rented building. Pursuant to the contract, Zattiero paid Townley \$5,000.00 for her

interest in the business and gave Korn a \$29,400.00 interest in a \$100,000.00 note secured by a deed of trust. The written sales contract called for the interest in notes in lieu of \$1,000.00 cash for Korn's interest in the business. The total sales price of the Vogue Fitness Center was \$6,000.00. The sale was consummated.

XI

Korn knew when she accepted the note that it had not been recorded. It was therefore junior to other encumbrances on the property which was over-encumbered. Zattiero knew when he gave the note to Korn that the equity in the Atherton property was not sufficient to give security to the note. Korn was not informed of this.

XII

In the fall of 1982, Inge Beck listed her property at 210 Fox Street in Kings Beach, California, for sale or exchange. In late October of 1982, Robert Grace, a realtor, contacted her for information about it. Grace was aware that Zattiero was active in real estate trading. Grace contacted Zattiero about the Fox Street property. Zattiero made various offers to Beck through Grace, proposing exchanges of property. Beck refused the first offers. Then Zattiero offered to trade his interest in a number of units in the Winchester Oaks project for Beck's interest in Fox Street. Negotiations followed.

XIII

Beck is a licensed and experienced real estate broker. She had lived and worked in San Joaquin County, California. Lodi is in San Joaquin County. She went to Winchester Oaks and toured two of the condominium units. Based upon her experience and the visit to the units and without further effort to determine the value, she accepted Zattiero's claim that the units were worth \$65,000.00 to \$75,000.00 each.

XIV

There were further negotiations, some through Grace and some directly between Beck and Zattiero, which led to the signing of an exchange agreement, by Zattiero on December 16, 1982, and by Beck on December 17, 1982.

XV

On December 22, 1982, Beck, Zattiero and Grace met in the office of a title company in Napa, California. A representative of the title company was present during parts of the meeting, but by agreement between Beck and Zattiero, there was no escrow. During the meeting Beck and Zattiero worked out the final details of the exchange and each made further admissions regarding his or her property which had not been previously revealed. Beck and Zattiero exchanged titles. Both agreed in the written exchange agreement that the properties were taken in "as is" condition and that both took subject to

existing "lien, loans and encumbrances with no liability to the conveying party." Each had one day after signing the agreement to check the property. Beck traded her interest in Fox Street for Zattiero's interest in 11 of the Winchester Oaks condominium units.

XVI

Some time after the above exchange, Beck traded three notes and deeds of trust to Zattiero for three more of the condominium units.

DETERMINATION OF ISSUES

I

Clear and convincing evidence to a reasonable certainty established that Zattiero subjected his license to discipline in the Winchester Oaks matter pursuant to Section 10177(j) of the Business and Professions Code (the Code).

II

Clear and convincing evidence to a reasonable certainty established that Zattiero subjected his license to discipline in the Vogue Fitness Center matter (Korn) pursuant to Section 10177(j) of the Code.

III

It was not established that Zattiero's actions in the Fox Street matter (Beck) were such as to subject his license to discipline pursuant to either Section 10177(f) or Section 10177(j) of the Code.

ORDER

- A. All licenses and license rights of respondent Roy David Zattiero under the provisions of Part 1 of Division 4 of the Business and Professions Code are revoked pursuant to Determination of Issues I and II.
- B. A restricted real estate salesperson license shall be issued to respondent pursuant to Section 10156.5 of the Business and Professions Code no sooner than 90 days from the effective date of the Decision herein if respondent makes application therefor and pays to the Department of Real Estate the appropriate fee for said license within 150 days from the effective date of the Decision herein.
- C. The restricted license issued to respondent shall be subject to all the provisions of Section 10156.7 of the Business and Professions Code and to the following

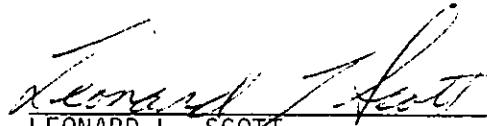
limitations, conditions and restrictions imposed under authority of Section 10156.6 of said Code:

1. The license shall not confer any property right in the privileges to be exercised, and the Real Estate Commissioner may by appropriate order suspend the right to exercise any privileges granted under this restricted license in the event of:
 - (a) The conviction of respondent (including a plea of nolo contendere) of a crime which bears a significant relation to respondent's fitness or capacity as a real estate licensee;
or
 - (b) The receipt of evidence 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 this restricted license.
2. 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 one year has elapsed from the date of issuance of the restricted license to respondent.
3. With the application for license, or with the application for transfer to a new employing broker, respondent shall submit a statement signed by the prospective employing broker on a form approved by the Department of Real Estate wherein the employing broker shall certify as follows:
 - (a) That 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.
 - (b) That broker has read the Decision which is the basis for the issuance of the restricted license.

4. The restricted license may be suspended by order of the Real Estate Commissioner pending a final determination after a hearing if respondent fails to present evidence satisfactory to the Department within six months from the effective date of the Decision of having taken and completed 45 hours of approved continuing education offerings within the four-year period immediately preceding the date on which the respondent presents such evidence to the Department.

Dated:

April 17, 1985



LEONARD L. SCOTT

Administrative Law Judge

Office of Administrative Hearings

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)
STEVEN FREDERICK RITTS) No. H-1972-SAC
Respondent.) OAH No. N-22035

PROPOSED DECISION

The matter came on for reconsideration by Leonard L. Scott, Administrative Law Judge, Office of Administrative Hearings, pursuant to an Order Granting Reconsideration and Referring Case issued by the Chief Deputy Real Estate Commissioner and pursuant to a Stipulation Upon Remand between the Department of Real Estate (the Department) and respondent Steven Frederick Ritts (respondent).

The Administrative Law Judge certifies this decision and recommends its adoption.

FINDINGS OF FACT

I

The parties have stipulated that respondent has committed violations of Section 10177(g) of the Business and Professions Code which are a basis for discipline.

DETERMINATION OF ISSUES

The parties stipulated that respondent committed violations of Section 10177(g) of the Business and Professions Code which subject his license to discipline.

ORDER

A. All licenses and license rights of respondent Steven Frederick Ritts under the provisions of Part 1 of Division 4 of the Business and Professions Code are revoked pursuant to Determination of Issues.

B. A restricted real estate salesperson license shall be issued to respondent pursuant to Section 10156.5 of the Business and Professions Code no sooner than 60 days from the effective date of the decision herein if respondent makes application therefor and pays to the Department of Real Estate the appropriate fee for said license within 90 days from the effective date of the decision herein.


C. The restricted license issued to respondent shall be subject to all 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 said Code:

1. The license shall not confer any property right in the privileges to be exercised, and the Real Estate Commissioner may by appropriate order suspend the right to exercise any privileges granted under this restricted license in the event of:
 - (a) The conviction of respondent (including a plea of nolo contendere) to a crime which bears a significant relation to respondent's fitness or capacity as a real estate licensee; or
 - (b) The receipt of evidence 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 this restricted license.
2. 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 one year has elapsed from the date of issuance of the restricted license to respondent.
3. With the application for license, or with the application for transfer to a new employing broker, respondent shall submit a statement signed by the prospective employing broker on a form approved by the Department of Real Estate wherein the employing broker shall certify as follows:

- (a) That 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.
- (b) That broker has read the decision which is the basis for the issuance of the restricted license.
4. The restricted license may be suspended by order of the Real Estate Commissioner pending a final determination after a hearing if respondent fails to present evidence satisfactory to the Department within six months from the effective date of the decision of having taken and completed 45 hours of approved continuing education offerings within the four-year period immediately preceding the date on which the respondent presents such evidence to the Department.

Dated:

January 25, 1985



LEONARD L. SCOTT
Administrative Law Judge
Office of Administrative Hearings

FILED
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BEFORE THE DEPARTMENT OF REAL ESTATE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

By *Vanessa Papette*

In the Matter of the Accusation)
DENNIS HETHERINGTON)
ROBERT GEORGE WALLACE GRACE)
ALBERT WILLIAM TROPE,)
Respondent)

NO. H- 1972
N- 22035

DECISION

The Proposed Decision dated October 22, 1984,
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 December 3, 1984.

IT IS SO ORDERED 11-8, 1984.



JAMES A. EDMONDS, JR.
Real Estate Commissioner

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation)
of)
DENNIS PAUL HETHERINGTON,)
ADVANCED REALTY INVESTMENT)
SYSTEMS, INC.,)
STEVEN FREDRICK RITTS,)
STERLING MAC WOOD,)
MURRAY LEE MILLER,)
TERRI DARLENE HENDRICKSON,)
EDDIE IVAN PALMER,)
JOHN M. BROCK,)
ROY DAVID ZATTIERO,)
ROBERT GEORGE WALLACE GRACE,)
ALBERT WILLIAM TROPE)
DONALD JACOB FRITZ;)
DOROTHY MAE DAY,)
Respondents.)

No. H-1972 SAC
OAH NO. N-22035

PROPOSED DECISION

This matter came on for hearing before Leonard L. Scott, Administrative Law Judge of the Office of Administrative Hearings, State of California, on June 18, 19, 21, 22 and 25, and on October 5, 1984 in Sacramento, California

Larry Alamao, Staff Counsel, represented the complainant.

Joel Shawn, Attorney at Law, made a special appearance in behalf of Roy David Zattiero for purposes of a motion, then withdrew. Thereafter, Zattiero appeared in his own behalf.

James Reichle, Attorney at Law, represented respondents Robert George Wallace Grace and Albert William Trope, who were also present at the hearing.

The matters regarding the other named respondents were severed from the matters regarding respondents Zattiero, Grace and Trope and were dealt with in a previous Decision.

The First, Ninth and Tenth Causes of Accusation in so far as they involve respondent Zattiero were severed from that portion of the Tenth Cause of Accusation which involves respondents

Grace and Trope at the end of the hearing day on October 5, 1984. The matters involving respondent Zattiero were then set for further proceedings later.

This Proposed Decision will then deal with those matters which involve respondents Grace and Trope.

Evidence was received, the hearing was closed and the matter was submitted.

The Administrative Law Judge certifies this decision and recommends its adoption.

FINDINGS OF FACT

I

Duane A. Aasland, Deputy Real Estate Commissioner of the State of California, filed the Accusation against respondents. Aasland acted in his official capacity.

II

Robert George Wallace Grace is licensed as a real estate broker in the State of California. His license will expire on July 16, 1987.

Albert William Trope is licensed as a real estate salesperson in the State of California. His license will expire on November 28, 1986.

III

Roy David Zattiero is licensed as a real estate salesperson in the State of California.

Inge Maria Beck is licensed as a real estate broker in the State of California and has been active as such since 1972.

IV

In the fall of 1982, Beck listed for sale or exchange her property at 210 Fox Street in Kings Beach, California. In late October of 1982, Grace contacted her for information about the property.

V

Grace had known Zattiero since 1981 and they had been involved in two or three real estate transactions which left Grace

with a favorable opinion of Zattiero. Grace knew that Zattiero was active in real estate trading but did not then have any of Zattiero's property listed nor any instructions from Zattiero to seek property. In early November of 1982, Grace contacted Zattiero and provided him with the information about the Fox Street property.

Several days later, Grace forwarded to Beck an offer by Zattiero to exchange some property in Santa Rosa for the Fox Street property. Beck rejected the offer.

VI

Some time thereafter, Grace forwarded to Beck an offer by Zattiero to exchange some condominium units in the Winchester Oaks project in Lodi, California, for the Fox Street property. There were negotiations between the parties about this offer. During the negotiations, Grace told both Beck and Zattiero that he had not seen either property and that his only information regarding the value of either property was from representations made by the other.

Grace suggested to both Beck and Zattiero that they each should go see the other's property and satisfy themselves as to the value.

Beck had previously lived and worked in San Joaquin County, California. She went to see the Winchester Oaks project in Lodi, and toured two of the units. Based upon her experience and visit to the units, Beck, without further effort to verify the value, thought that the \$65,000 to \$75,000 value per unit claimed by Zattiero seemed reasonable.

VII

There were further negotiations, some through Grace and some directly between Beck and Zattiero, which led to the signing of an exchange agreement, by Zattiero on December 16, 1982, and by Beck on December 17, 1982. Beck testified that she rejected three offers made by others while negotiating with Zattiero.

VIII

On December 22, 1982, Beck, Zattiero and Grace met in the office of a title company in Napa, California. A representative of the title company was present during parts of the meeting, but by agreement between Beck and Zattiero, there was no escrow. During the meeting Beck and Zattiero worked out the final details of the exchange and each made further admissions regarding his or her property which had not been previously revealed. Beck and

Zattiero then exchanged the titles between them. Grace said: very little during this meeting and had little involvement in these negotiations between Beck and Zattiero, but he did suggest that they should use escrow to effect the exchange of titles.

IX

Trope was not present at or a party to any of the negotiations or meetings which led to the exchange of titles described above. No evidence was presented regarding any violation by Trope.

DETERMINATION OF ISSUES

I

It was not established that respondent Robert George Wallace Grace committed acts which subject his license to discipline pursuant to the Business and Professions Code, Sections 10176(a), 10176(i) or 10177(g).

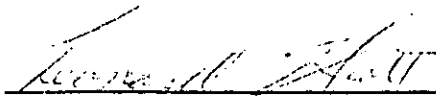
II

It was not established that respondent Albert William Trope committed acts which subject his license to discipline pursuant to the Business and Professions Code, Sections 10176(a), 10176(i) or 10177(g).

ORDER

The Accusation in so far as it relates to Robert George Wallace Grace and Albert William Trope is dismissed.

Dated: October 22, 1989


LEONARD L. SCOTT
Administrative Law Judge
Office of Administrative Hearings

FILED
OCT 26 1984

BEFORE THE DEPARTMENT OF REAL ESTATE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

By Vanessa Papallo

In the Matter of the Accusation of

DENNIS PAUL HETHERINGTON, et al.

Case No. H-1972 SAC
N-22035

Respondent(s)

THIRD NOTICE OF CONTINUED HEARING
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 OFFICE OF ADMINISTRATIVE HEARINGS, 717 K Street, Suite 409, Hearing Room 415, Sacramento, CA 95814

on the 21st & 22nd day of March, 1985, 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: October 26, 1984

DEPARTMENT OF REAL ESTATE
By Larry Alamao
LARRY A. ALAMAO Counsel

FILED
SEP 27 1984

DEPARTMENT OF REAL ESTATE

By *Tarissa Papatto*

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
DENNIS HETHERINGTON, et al.,)
Respondent.)

NO. H-1972 SAC

ORDER DENYING RECONSIDERATION

On August 6, 1974, a Decision was rendered in the above-entitled matter. The Decision is to become effective on September 27, 1984.

On August 27, 1984, respondent Donald Jacob Fritz petitioned for reconsideration of the Decision of August 6, 1984.

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I have given due consideration to the petition of respondent. I find no good cause to reconsider the Decision of August 6, 1984 and reconsideration as to respondent Donald Jacob Fritz is hereby denied.

IT IS SO ORDERED September 26, 1984.

JAMES A. EDMONDS, JR.
Real Estate Commissioner



ROBERT P. MARTINEZ
Chief Deputy Commissioner

FILED
SEP 27 1984

DEPARTMENT OF REAL ESTATE

By Vanessa Rapetto

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
DENNIS HETHERINGTON, et al.,)	NO. H-1972 SAC
Respondent.)	

ORDER GRANTING RECONSIDERATION AND REFERRING CASE

On August 6, 1984, a Decision was rendered in the above-entitled matter. The Decision is to become effective on September 27, 1984.

On August 13, 1984, respondent STEVEN FREDRICK RITTS petitioned for reconsideration of said Decision. I have considered the petition of respondent and have concluded that good cause has been presented for reconsideration of the Decision of August 6, 1984.

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1 I have reconsidered said Decision and it is hereby
2 ordered that this case is referred pursuant to Section 11517 of
3 the Government Code to Administrative Law Judge Leonard L. Scott
4 for the purpose of taking additional evidence as to respondent
5 Steven Fredrick Ritts only in accordance with a stipulation
6 entered into between respondent Ritts and the Department of Real
7 Estate.

8 IT IS SO ORDERED

September 26, 1984

9
10 JAMES A. EDMONDS, JR.
11 Real Estate Commissioner

12 
13 _____

14 ROBERT P. MARTINEZ
15 Chief Deputy Commissioner
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FILED
AUG 31 1984

DEPARTMENT OF REAL ESTATE

By Vanessa Papatto

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
DENNIS HETHERINGTON, et al.,) NO. H-1972 SAC
Respondents.)
_____)

ORDER VACATING STAY

On August 6, 1984, a Decision was rendered in the above-entitled matter to become effective August 28, 1984.

On August 28, 1984, upon request of respondents, the effective date of the Decision of August 6, 1984 as to respondents DENNIS PAUL HETHERINGTON, ADVANCED REALTY INVESTMENT SYSTEMS, INC. and DOROTHY MAE DAY was stayed for a period of 30 days.

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Upon the request of respondent DOROTHY MAE DAY, the
Order Staying the Effective Date of the Decision of August 6, 1984
as to respondent DOROTHY MAE DAY is hereby vacated.

The Decision of August 6, 1984 shall become effective
as to respondent DOROTHY MAE DAY at 12 o'clock noon on
August 28, 1984.

DATED: August 31, 1984

JAMES A. EDMONDS, JR.
Real Estate Commissioner

By: 
ROBERT P. MARTINEZ
Chief Deputy Commissioner

FILED
AUG 28 1984

DEPARTMENT OF REAL ESTATE

By *Vanessa Pagotto*

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
DENNIS HETHERINGTON, et al.)	NO. H-1972 SAC
Respondent.)	

ORDER STAYING EFFECTIVE DATE

On August 6, 1984, a Decision was rendered in the above-entitled matter to become effective August 28, 1984.

IT IS HEREBY ORDERED that the effective date of the Decision of August 6, 1984 is stayed as to respondent DONALD J. FRTIZ only for a period of 30 days.

The Decision of August 6, 1984 shall become effective as to said respondent at 12 o'clock noon on September 27, 1984.

DATED: August 28, 1984.

JAMES A. EDMONDS, JR.
Real Estate Commissioner

Robert P. Martinez

ROBERT P. MARTINEZ
Chief Deputy Commissioner

FILED
AUG 23 1984

DEPARTMENT OF REAL ESTATE

By Vanessa Papatto

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
DENNIS HETHERINGTON, et al.) NO. H-1972 SAC
Respondent.)

ORDER STAYING EFFECTIVE DATE

On August 6, 1984, a Decision was rendered in the above-entitled matter to become effective August 28, 1984.

IT IS HEREBY ORDERED that the effective date of the Decision of August 6, 1984 is stayed as to respondent Steven Fredrick Ritts only for a period of 30 days.

The Decision of August 6, 1984 shall become effective as to said respondent at 12 o'clock noon on September 27, 1984.

DATED: August 22, 1984.

JAMES A. EDMONDS, JR.
Real Estate Commissioner
Robert P. Martinez
ROBERT P. MARTINEZ
Chief Deputy Commissioner

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)
)
DENNIS PAUL HETHERINGTON,)
ADVANCED REALTY INVESTMENT)
SYSTEMS INC.,)
STEVEN FREDRICK RITTS,)
STERLING MAC WOOD,)
MURRAY LEE MILLER,)
TERRI DARLENE HENDRICKSON,)
EDDIE IVAN PALMER,)
JOHN M. BROCK,)
ROY DAVID ZATTIERO,)
ROBERT GEORGE WALLACE GRACE,)
ALBERT WILLIAM TROPE,)
DONALD JACOB FRITZ,)
DOROTHY MAE DAY,)
)
Respondents.)
)

N 22035
No. H-1972 SAC

PROPOSED DECISION

This matter came on for hearing before Leonard L. Scott, an Administrative Law Judge of the Office of Administrative Hearings, on June 18, 19, 21, 22 and 25, 1984, in Sacramento, California.

Larry Alamao, Counsel, represented the complainant.

Joel Shawn, Attorney at Law, made a special appearance in behalf of Roy David Zattiero for purposes of a motion, then withdrew. Thereafter, Zattiero appeared in his own behalf.

Donald Buchman, Attorney at Law, represented Donald Jacob Fritz who was also present in person.

Dorothy Mae Day appeared in her own behalf and entered into a stipulation with complainant.

There was no appearance by or on behalf of respondents Steven Fredrick Ritts, Sterling Mac Wood and Murray Lee Miller but their stipulations with complainant were admitted into evidence.

The matters regarding Robert George Wallace Grace and Albert William Trope were continued.

There was no appearance by or on behalf of respondents Dennis Paul Hetherington, Advanced Realty Investment Systems Inc., Terri Darlene Hendrickson, Eddie Ivan Palmer and John M. Brock.

Evidence was received, the hearing was closed and the matter was submitted.

The Administrative Law Judge certifies this decision and recommends its adoption.

RECITATION

The First Cause of Accusation, in so far as it involves Roy David Zattiero, and the Ninth and Tenth Causes of Accusation, in their entirety, were severed from the other Causes of Accusation and continued for further proceedings later.

FINDINGS OF FACT

I

Duane A. Aasland, Deputy Real Estate Commissioner of the State of California, filed the Accusation against respondents. Aasland acted in his official capacity.

II

Dennis Paul Hetherington (Hetherington) is licensed as a real estate broker. The license will expire on March 8, 1985. Hetherington was also licensed as an officer of Advanced Realty Investment Systems, Inc. (Advance). That license and the corporate license of Advance were cancelled on May 24, 1983.

Steven Fredrick Ritts (Ritts) is licensed as a real estate salesperson with Hetherington as the employing broker. Ritt's license will expire on December 5, 1984.

Sterling Mac Wood (Wood) is licensed as a real estate broker. His license will expire on January 18, 1987.

Murray Lee Miller (Miller) is licensed as a real estate salesperson. He was employed by Advance until about January 25, 1983. His license will expire on August 25, 1984.

Terri Darlene Hendrickson (Hendrickson) was licensed as a real estate salesperson. She was employed by Hetherington. Her license expired on September 12, 1982.

Eddie Ivan Palmer (Palmer) is licensed as a real estate salesperson. His license will expire on December 20, 1985.

John M. Brock (Brock) is licensed as a real estate salesperson. His license will expire on November 9, 1984.

Donald Jacob Fritz (Fritz) is licensed as a real estate broker. His license will expire on April 25, 1986.

Dorothy Mae Day is licensed as a real estate broker. Her license will expire on January 26, 1987.

III

Each of the respondents at various times participated in and contributed to the unlawful acts and schemes described herein.

IV

Described hereafter are certain transactions involving agreements to sell various parcels of residential real property. In each of these transactions, one or more of the respondents participated, individually and jointly or acted as agents for the other respondents. Beginning in June 1981, respondents entered into a plan and scheme with reference to said transactions with the intent to substantially benefit themselves without regard to the injury their acts would cause to the various sellers named hereafter and without disclosing to said sellers their true intentions with respect to the transactions described hereafter.

V

The plan and scheme involved the following elements to induce owners of the real property to sell.

1. Representations to owners that respondents had located qualified buyers for their properties.
2. The offers to purchase called for the obtaining of loans to cover part of the purchase price. A portion of the loan proceeds would be used to pay real estate commissions to respondents.

3. The balance of the purchase price would be paid by the buyers executing a note to the sellers secured by a junior deed of trust on the property.
4. After respondents had obtained payment of the real estate commissions, the buyers would default upon payment of the loans secured by trust deeds on the property.
5. Respondents knew that the buyers of said properties were not able to make the payments on said trust deed loans and that said buyers in fact had no intention of making such payments.

VI

Beginning on or about August 15, 1982, respondents Miller, Wood, Hetherington and Advanced represented to Michael McGrath (McGrath) that said respondents had or would locate buyers for 60 units of a condominium project known as Winchester Oaks (Winchester) and owned by Clark and McGrath Construction Company. Respondents further represented to McGrath that the buyers would be fully qualified and would be able to make the payments on any loans to finance the purchase of units in Winchester. Respondents knew their said representations regarding the buyers were false.

VII

On or about September 13, 1982, the respondents negotiated the sale of Winchester according to the following terms and conditions:

1. The total purchase price is \$3,517,000.
2. McGrath was to obtain a loan of 85% of the purchase price secured by a first deed of trust on Winchester.
 - a. The obligations under said loan would be assumed by the buyers.
 - b. From the proceeds of said loan, \$175,850 would be paid to respondents as a real estate commission.
 - c. The remainder of said loan proceeds would be used to pay existing encumbrances on Winchester.

3. McGrath would carry a note from the buyers for 15% of the purchase price and secured by a second trust deed on Winchester.

VIII

In reliance upon the representations made by respondents, McGrath agreed to sell Winchester to said buyers.

IX

Beginning on or about August 15, 1982, and continuing through November 15, 1982, the respondents Miller, Wood, Hetherington, Advanced, Ritts and Hendrickson plus respondents Palmer and Brock induced a number of persons to pose as buyers of units in Winchester. Said respondents knew that such persons posing as buyers were unable to or had no intention to make payments on the obligations secured by liens on Winchester.

X

On or about November 15, 1982, escrow closed on the purchase of units in Winchester according to the terms and conditions described above.

XI

On or about November 15, 1982, the following amounts were paid as real estate commissions in the sale of Winchester:

Respondent Miller	\$30,773.40
Respondent Wood	\$30,773.40
Respondent Ritts	\$17,951.15
Respondent Hendrickson	\$20,003.18
Respondent Advanced	\$51,665.60
Respondent Hetherington	\$20,002.98

XII

Beginning on or about November 15, 1982, respondents Miller, Wood, Ritts, Hendrickson, Advanced, Hetherington, Brock and Palmer collected rental payments and/or security deposits on Winchester. Said respondents applied said payments to their benefit and use and not in payment of the amounts due on loans secured by liens on Winchester.

XIII

Prior to close of escrow on the sale of Winchester, respondents Miller, Wood, Ritts, Hendrickson, Advanced, Hetherington, Brock and Palmer, with the intent to benefit themselves and without disclosing their true intentions to McGrath, entered into a plan and scheme to deceive and make misrepresentations to McGrath.

XIV

The plan and scheme contemplated in essence that respondents Miller, Wood, Ritts, Hendrickson, Advanced and Hetherington would receive commissions for the sale of Winchester; that the respondents would arrange for the rental of Winchester, collect rental payments and security deposits and apply said payments to their own benefit; and that said respondents and the persons posing as buyers would not make any payments on the loans secured by first and second deeds of trust on Winchester.

XV

No payments were made by respondents or the persons posing as buyers on the trust deed loans on Winchester.

XVI

Beginning on or about December 18, 1981, respondents Hetherington, Advanced and Hendrickson represented to Robert J. Rispoli (Rispoli) that said respondents had located buyers for forty-seven units of a condominium project known as Nantucket Condominiums (Nantucket) located in Sacramento County, California, and owned by Rispoli. Said respondents further represented to Rispoli that said buyers would be fully qualified and would be able to make the payments on any loans used to purchase Nantucket.

XVII

On or about December 18, 1981, respondents negotiated the sale of Nantucket according to the following terms and conditions:

1. Rispoli was to obtain a loan of approximately 75% of the purchase price secured by a first deed of trust on Nantucket.
 - a. The obligations under said loan would be assumed by the buyers.

b. The remainder of said loan proceeds would be used to pay existing encumbrances on Nantucket.

2. Rispoli would carry a note from the buyers for the remainder of the purchase price and secured by a second trust deed on Nantucket.

XVIII

In reliance upon the representations made by respondents, Rispoli agreed to sell Nantucket.

XIX

Beginning on or about December 18, 1981, and continuing through July 21, 1982, respondents induced a number of persons to pose as buyers of units in Nantucket. Said respondents knew that such persons posing as buyers were unable to or had no intention to make payments on the obligations secured by liens on Nantucket.

XX

Beginning on or about April 23, 1982 and continuing through July 21, 1982, escrow closed on the purchase of units in Nantucket according to the terms and conditions described above.

XXI

Beginning on or about April 23, 1982 and continuing through July 21, 1982, respondents were paid real estate commissions for the sale of Nantucket.

XXII

No payments were made by said respondents or the persons posing as buyers on the trust deed loans on Nantucket.

XXIII

Beginning about November 1981, respondents Hetherington, Advanced and Hendrickson represented to Carl A. and Barbara A. Grandona (Grandonas) that respondent Hendrickson or assignees would purchase real property owned by the Grandonas located in Sacramento County and commonly known as 295 Brewster, 8050 Wagon Trail Way, 7935 Tierra Wood Way, 8010 Wagon Trail Way and 283 Brewster (Properties).

XXIV

Said representations included a representation that respondent Hendrickson or assignees would be fully qualified and able to make the payments on any loans used to purchase the properties and that such payments would be made.

XXV

Respondents negotiated the purchase of the Properties according to the following terms and conditions:

1. The total purchase prices were:
295 Brewster - \$99,500
8050 Wagon Trail Way - \$77,500
7935 Tierra Wood Way - \$63,500
8010 Wagon Trail Way - \$77,500
293 Brewster - \$99,500
2. Respondent Hendrickson or assignee would assume existing trust deed loans on the Properties.
3. The remaining balance of the purchase price would be carried by the Grandonas in the form of a note secured by second deeds of trust on the Properties.
4. Grandonas would pay respondents a real estate commission.

XXVI

In reliance upon the representations made by respondents, the Grandonas agreed to sell the Properties.

XXVII

Escrow closed on the purchase of the Properties according to the terms and conditions described.

XXVIII

Respondent Hendrickson assigned her interest in buying the Properties to Leroy and Janice Broxton (Broxtons).

XXIX

Respondents were paid real estate commissions on the sale of the Properties.

XXX

No payments were made by said respondents or the Broxtons on the trust deed loans on the Properties.

XXXI

On or about September 1, 1981, respondents Hetherington, Advanced and Day negotiated the sale of real property known as 2340 Rosado Way, Rancho Cordova, California (Rosado Way) and owned by Walter A. and Sylvia I. Hettich (Hettiches). Day was the listing agent for the sellers.

XXXII

Respondents represented that the buyers, the Broxtons, would be fully qualified and able to make the payments on any loans used to purchase Rosado Way and that such payments would be made.

XXXIII

The purchase of Rosado Way included the following terms and conditions:

1. The purchase price was \$62,000.
2. The Broxtons would assume existing trust deed loans on Rosado Way.
3. The remaining balance of the purchase price would be carried by the Hettiches in the form of notes secured by second and third deeds of trust on Rosado Way. The note secured by a second trust deed would be sold in escrow.

XXXIV

In reliance upon the representations made by respondents, the Hettiches agreed to sell Rosado Way.

XXXV

On or about October 6, 1981, escrow closed on the purchase of Rosado Way according to the terms and conditions described.

XXXVI

On or about October 6, 1981, respondents were paid \$3,720 as real estate commissions on the sale of Rosado Way.

XXXVII

The buyers rented out Rosado Way and collected rents. They applied the rents to their benefit and use and did not make payments on the trust deed loans.

XXXVIII

In or about December of 1981, respondents Hetherington, Advanced and Day negotiated the sale of real property known as 4213 Don Julio Boulevard, North Highlands, California (Don Julio) and owned by D. J. and Janet Williams (Williams).

XXXIX

Respondents represented that the buyers, the Broxtons, would be fully qualified and able to make the payments on any loans used to purchase Don Julio and that such payments would be made.

XL

The purchase of Don Julio included the following terms and conditions:

1. The purchase price was \$54,950.
2. The Broxtons would assume existing trust deed loans on Don Julio.
3. The remaining balance of the purchase price would be carried by the Williams in the form of notes secured by second and third deeds of trust on Don Julio. The note secured by a second trust deed would be sold in escrow.
4. The Williams would pay respondents a real estate commission of 6% of the purchase price of Don Julio.

XLI

In reliance upon the representations made by respondents, the Williams agreed to sell Don Julio.

XLII

On or about January 11, 1982, escrow closed on the purchase of Don Julio according to the terms and conditions described.

XLIII

On or about January 11, 1982, respondents were paid \$3,297 as real estate commissions on the sale of Don Julio.

XLIV

No payments were made by respondents or the persons posing as buyers on the trust deed loans on Don Julio.

XLV

During late September and October of 1981, respondents Hetherington and Advanced negotiated the sale of real property known as 8805 Canarsie Avenue, Orangevale, California (Canarsie Avenue) and owned by Billy D. and Donna May Harris (Harrises).

XLVI

Respondents represented that the buyers, the Broxtons, would be fully qualified and able to make the payments on any loans used to purchase Canarsie Avenue and that such payments would be made.

XLVII

The purchase of Canarsie Avenue included the following terms and conditions:

1. The purchase price was \$68,000.
2. The Broxtons would assume existing trust deed loans on Canarsie Avenue.
3. The remaining balance of the purchase price would be carried by the Harrises in the form of notes secured by second and third deeds of trust on Canarsie Avenue. The note secured by a second trust deed would be sold in escrow.
4. The Harrises would pay respondents a real estate commission of 6% of the purchase price of Canarsie Avenue.

XLVIII

In reliance upon the representations made by respondents, the Harrises agreed to sell Canarsie Avenue.

XLIX

On or about November 17, 1981, escrow closed on the purchase of Canarsie Avenue according to the terms and conditions described.

L

On or about November 17, 1981, respondents were paid \$4,080 as real estate commissions on the sale of Canarsie Avenue.

LI

No payments were made by the respondents or the persons posing as buyers on the trust deed loans on Canarsie Avenue.

LII

On June 29, 1982, the business addresses on the real estate brokers' licenses of Advanced and Hetherington, as an officer of Advanced, were changed to 6830 Antelope Road, Suite A, Citrus Heights, California.

LIII

At some time prior to March 7, 1983, respondents ceased to do business at, and abandoned, the aforesaid premises as the office for transaction of their real estate brokerage business. Respondents have not notified the Department of Real Estate of the State of California (Department) that they are not maintaining their place of business at said premises and have failed to apply to the Department for a transfer of their real estate broker licenses to another location.

LIV

During April and May, 1982, respondents Hetherington, Advanced, Hendrickson and Fritz negotiated the sale of five parcels of real property owned by Jack and Guithrun Rice (Rices) located in Sacramento, California, and commonly known as 1109 Fienza, 2610 Lexington, 1101 Fienza, 2361 Rudat Circle and 2392 Rudat Circle (Parcels).

LV

In negotiating the sale of said Parcels, said respondents represented to the Rices that the buyers, the Broxtons, would be fully qualified and able to make the payments on any loans used to purchase the Parcels and that such payments would be made.

LVI

The purchase of said parcels included the following terms and conditions:

1. The Broxtons would assume existing trust deed loans on the Parcels.
2. The remaining balance of the purchase price would be carried by the Rices in the form of a note secured by second deeds of trust on the Parcels.
3. The Rices would pay respondents a real estate commission.

LVII

In reliance upon the representations made by respondents, the Rices agreed to sell the Parcels.

LVIII

On or about April 26 and May 7, 1982, escrow closed on the purchase of the Parcels according to the terms and conditions described.

LIX

On or about April 26 and May 7, 1982, respondents were paid \$20,160 as real estate commissions on the sale of the Parcels.

LX

No payments were made by respondents or the persons posing as buyers on the trust deed loans on the Parcels.

LXI

Both Rice and Fritz are experienced, licensed real estate brokers. Rice sometimes arranges construction

financing for various contractors. He arranged the construction financing for the homes on Rudat Circle. He acquired them when they did not sell and the contractor was unable to pay the lender. It was not Fritz' main business to list or sell residential properties for others. His main business was building, mortgage brokering and selling properties on his own. Fritz and Rice had been acquainted for some time. Rice was unable to sell the Parcels in what was then a very slow real estate market. Rice asked Fritz to list and sell the Parcels because of Fritz' success at selling his own. Fritz made the connection with Hetherington and Advanced. Fritz represented to Rice that the Broxtons would be able to meet their obligations on the loans.

LXII

The other factual allegations in the Accusation regarding the various respondents were not proven.

DETERMINATION OF ISSUES

I

Clear and convincing evidence to a reasonable certainty established that respondent Dennis Paul Hetherington subjected his license to discipline pursuant to the Business and Professions Code:

- A. Sections 10176(a), (c) and (i) in Causes of Accusation 1, 2, 3, 4, 5 and 6;
- B. Sections 10176(a) and (i) in Cause of Accusation 7; and
- C. Section 10177(d) in Cause of Accusation 8.

II

Clear and convincing evidence to a reasonable certainty established that respondent Advanced Realty Investment Systems Inc. subjected its license to discipline pursuant to the Business and Professions Code:

- A. Sections 10176(a), (c) and (i) in Causes of Accusation 1, 2, 3, 4, 5 and 6; and
- B. Sections 10176(a) and (i) in Cause of Accusation 7.

III

Clear and convincing evidence to a reasonable certainty established that respondent Steven Fredrick Ritts subjected his license to discipline pursuant to the Business and Professions Code, Section 10177(g) in Cause of Accusation 1.

IV

Clear and convincing evidence to a reasonable certainty established that respondent Sterling Mac Wood subjected his license to discipline pursuant to the Business and Professions Code, Section 10177(g) in Cause of Accusation 1.

V

Clear and convincing evidence to a reasonable certainty established that respondent Murray Lee Miller subjected his license to discipline pursuant to the Business and Professions Code, Section 10177(g) in Cause of Accusation 1.

VI

Clear and convincing evidence to a reasonable certainty established that respondent Terri Darlene Hendrickson subjected her license to discipline pursuant to the Business and Professions Code, Sections 10176(a) and (i) in Causes of Accusation 1, 2, 3 and 4.

VII

Clear and convincing evidence to a reasonable certainty established that respondent John M. Brock subjected his license to discipline pursuant to the Business and Professions Code, Section 10177(j) in Cause of Accusation 1.

VIII

Clear and convincing evidence to a reasonable certainty established that respondent Eddie Ivan Palmer subjected his license to discipline pursuant to the Business and Professions Code, Section 10177(j) in Cause of Accusation 1.

IX

Clear and convincing evidence to a reasonable certainty established that respondent Donald Jacob Fritz subjected his license to discipline pursuant to the Business and Professions Code, Sections 10176(a) and (i) in Cause of Accusation 4.

X

Clear and convincing evidence to a reasonable certainty established that Dorothy Mae Day subjected her license to discipline pursuant to the Business and Professions Code Section 10177(g) in Causes of Accusation 5 and 6.

XI

The other violations alleged in the Accusation were not proven by clear and convincing evidence to a reasonable certainty.

ORDER

I

All licenses and license rights of respondent Dennis Paul Hetherington under the provisions of Part 1 of Division 4 of the Business and Professions Code are revoked pursuant to Determination of Issues IA through IC, separately and for all of them.

II

All licenses and license rights of respondent Advanced Realty Investment Systems Inc. under the provisions of Part 1 of Division 4 of the Business and Professions Code are revoked pursuant to Determination of Issues IIA and IIB, separately and for both of them.

III

A. All licenses and license rights of respondent Steven Fredrick Ritts under the provisions of Part 1 of Division 4 of the Business and Professions Code are revoked pursuant to Determination of Issues III.

B. A restricted real estate salesperson license shall be issued to respondent pursuant to Section 10156.5 of the Business and Professions Code no sooner than 60 days from

the effective date of the Decision herein if respondent makes application therefor and pays to the Department of Real Estate the appropriate fee for said license within 90 days from the effective date of the Decision herein.

C. The restricted license issued to respondent shall be subject to all 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 said Code:

1. The license shall not confer any property right in the privileges to be exercised, and the Real Estate Commissioner may by appropriate order suspend the right to exercise any privileges granted under this restricted license in the event of:
 - (a) The conviction of respondent (including a plea of nolo contendere) to a crime which bears a significant relation to respondent's fitness or capacity as a real estate licensee; or
 - (b) The receipt of evidence 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 this restricted license.
2. 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 one year has elapsed from the date of issuance of the restricted license to respondent.
3. With the application for license, or with the application for transfer to a new employing broker, respondent shall submit a statement signed by the prospective employing broker on a form approved by the Department of Real Estate wherein the employing broker shall certify as follows:

- (a) That 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.
- (b) That broker has read the Decision which is the basis for the issuance of the restricted license.

4. The restricted license may be suspended by order of the Real Estate Commissioner pending a final determination after a hearing if respondent fails to present evidence satisfactory to the Department within six months from the effective date of the Decision of having taken and completed 45 hours of approved continuing education offerings within the four-year period immediately preceding the date on which the respondent presents such evidence to the Department.

IV

A. All licenses and license rights of respondent Sterling Mac Wood under the provisions of Part 1 of Division 4 of the Business and Professions Code are suspended for 30 days commencing with the effective date of the Decision of the Real Estate Commissioner in the above-entitled case.

B. Fifteen (15) days of said suspension shall be stayed on the conditions that no further cause for disciplinary action against the real estate license of respondent occurs within one year from the effective date of the Decision.

C. If the Real Estate Commissioner determines pursuant to the Administrative Procedure Act that further cause for disciplinary action against the real estate license of respondent has occurred within one year from the effective date of the Decision, the stay of suspension hereby granted, or such portion as the Real Estate Commissioner shall deem to be appropriate, shall be vacated.

D. If further cause for disciplinary action against the real estate license of respondent does not occur within one year from the effective date of the Decision, the stay hereby granted shall become permanent.

V

A. All licenses and license rights of respondent Murray Lee Miller under the provisions of Part 1 of Division 4 of the Business and Professions Code are suspended for 30 days, commencing with the effective date of the Decision of the Real Estate Commissioner in the above-entitled case.

B. Fifteen (15) days of said suspension shall be stayed on the condition that no further cause for disciplinary action against the real estate license of respondent occurs within one year from the effective date of the Decision.

C. If the Real Estate Commissioner determines pursuant to the Administrative Procedure Act that further cause for disciplinary action against the real estate license of respondent has occurred within one year from the effective date of the Decision, the stay of suspension hereby granted, or such portion as the Real Estate Commissioner shall deem to be appropriate, shall be vacated.

D. If further cause for disciplinary action against the real estate license of respondent does not occur within one year from the effective date of the Decision, the stay hereby granted shall become permanent.

VI

All licenses and license rights of respondent Terri Darlene Hendrickson under the provisions of Part 1 of Division 4 of the Business and Professions Code are revoked pursuant to Determination of Issues VI.

VII

All licenses and license rights of respondent John M. Brock under the provisions of Part 1 of Division 4 of the Business and Professions Code are revoked pursuant to Determination of Issues VII.

VIII

All licenses and license rights of respondent Eddie Ivan Palmer under the provisions of Part 1 of Division 4 of the Business and Professions Code are revoked pursuant to Determination of Issues VIII.

IX

A. All licenses and license rights of respondent Donald Jacob Fritz under the provisions of Part 1 of Division 4 of the Business and Professions Code are suspended for 30 days commencing with the effective date of the Decision of the Real Estate Commissioner in the above-entitled case.

B. Fifteen (15) days of said suspension shall be stayed on the condition that no further cause for disciplinary action against the real estate license of respondent occurs within one year from the effective date of the Decision.

C. If the Real Estate Commissioner determines pursuant to the Administrative Procedure Act that further cause for disciplinary action against the real estate license of respondent has occurred within one year from the effective date of the Decision, the stay of suspension hereby granted, or such portion as the Real Estate Commissioner shall deem to be appropriate, shall be vacated.

D. If further cause for disciplinary action against the real estate license of respondent does not occur within one year from the effective date of the Decision, the stay hereby granted shall become permanent.

X

A. All licenses and license rights of respondent Dorothy Mae Day under the provisions of Part 1 of Division 4 of the Business and Professions Code are suspended for 30 days commencing with the effective date of the Decision of the Real Estate Commissioner in the above-entitled case.

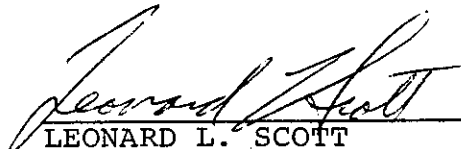
B. Fifteen (15) days of said suspension shall be stayed on the condition that no further cause for disciplinary action against the real estate license of respondent occurs within one year from the effective date of the Decision.

C. If the Real Estate Commissioner determines pursuant to the Administrative Procedure Act that further cause for disciplinary action against the real estate license of respondent has occurred within one year from the effective date of the Decision, the stay of suspension hereby granted, or such portion as the Real Estate Commissioner shall deem to be appropriate, shall be vacated.

D. If further cause for disciplinary action against the real estate license of respondent does not occur

within one year from the effective date of the Decision, the stay hereby granted shall become permanent.

Dated: July 24/1984


LEONARD L. SCOTT
Administrative Law Judge
Office of Administrative Hearings

FILED
JUL 23 1984

BEFORE THE DEPARTMENT OF REAL ESTATE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

By Vanessa Paputto

In the Matter of the Accusation of
DENNIS HETHERINGTON, et al.
Respondents.

Case No. H-1972 SAC

SECOND NOTICE OF CONTINUED HEARING ON ACCUSATION
TENTH CAUSE OF ACCUSATION
ZATTIERO DEFENSE TO FIRST, NINTH, AND TENTH CAUSES OF ACCUSATION

TO THE ABOVE NAMED RESPONDENT:

YOU ARE HEREBY NOTIFIED that a hearing will be held before the Department of Real Estate at OFFICE OF ADMINISTRATIVE HEARINGS, 717 K Street, Suite 409, Hearing Room 415, Sacramento, CA 95814

on October 5, October 8 and December 20, 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: July 23, 1984

DEPARTMENT OF REAL ESTATE
By Larry Alamao
LARRY A. ALAMAO Counsel

FILED
DEC 29 1983

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of
DENNIS PAUL HETHERINGTON, et al.

By Vanessa Papotto
H-1972 SAC

Case No. _____

Respondent(s)

FIRST AMENDED
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 OFFICE OF ADMINISTRATIVE HEARINGS, 717 K Street, Suite 409, Hearing Room 415, Sacramento, CA 95814

on June 18 through June 22 and June 25 through June 29, 1984, at the hour of 9:00 am, 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: December 29, 1983

DEPARTMENT OF REAL ESTATE

By

Larry Alamao
LARRY ALAMAO

Counsel

FILED
DEC 13 1983

BEFORE THE DEPARTMENT OF REAL ESTATE
DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

By Vanessa Papotto

Case No. H-1972 SAC

N 22035

In the Matter of the Accusation of

DENNIS HETHERINGTON, et al.

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 OFFICE OF ADMINISTRATIVE HEARINGS, 717 K Street, Suite 409, Hearing Room 415, Sacramento, CA 95814

on May 14th through May 25th, 1984, at the hour of 9:00 am, 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: December 13, 1983

DEPARTMENT OF REAL ESTATE

By Larry Alamao
LARRY A. ALAMAO Counsel

FILED
AUG 23 1983

DEPARTMENT OF REAL ESTATE

By *Vanessa Papotto*

1 LARRY A. ALAMAO, Counsel
2 Department of Real Estate
3 1719 - 24th Street
4 P.O. Box 160009
5 Sacramento, CA 95816
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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
DENNIS PAUL HETHERINGTON,)
ADVANCED REALTY INVESTMENT)
SYSTEMS INC.,)
STEVEN FREDRICK RITTS,)
STERLING MAC WOOD,)
MURRAY LEE MILLER,)
TERRI DARLENE HENDRICKSON,)
EDDIE IVAN PALMER,)
JOHN M. BROCK,)
ROY DAVID ZATTIERO,)
ROBERT GEORGE WALLACE GRACE,)
ALBERT WILLIAM TROPE,)
DONALD JACOB FRITZ,)
DOROTHY MAE DAY,)
Respondents.)

NO. H-1972 SAC
ACCUSATION

The complainant, Duane A. Aasland, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against DENNIS PAUL HETHERINGTON (respondent Hetherington),
ADVANCED REALTY INVESTMENT SYSTEMS, INC. (respondent Advanced),
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1 STEVEN FREDRICK RITTS (respondent Ritts), STERLING MAC WOOD
2 (respondent Wood), MURRAY LEE MILLER (respondent Miller), TERRI
3 DARLENE HENDRICKSON (respondent Hendrickson), EDDIE IVAN PALMER
4 (respondent Palmer), JOHN M. BROCK (respondent Brock), ROY DAVID
5 ZATTIERO (respondent Zattiero), ROBERT GEORGE WALLACE GRACE
6 (respondent Grace), ALBERT WILLIAM TROPE (respondent Trope),
7 DONALD JACOB FRITZ (respondent Fritz), DOROTHY MAE DAY (respondent
8 Day) is informed and alleges as follows:

9 FIRST CAUSE OF ACCUSATION

10 I

11 This Accusation is made in complainant's official
12 capacity as a Deputy Real Estate Commissioner.

13 II

14 Respondent Hetherington is presently licensed and/or has
15 license rights under the Real Estate Law (Part I of Division 4 of
16 the Business and Professions Code) (Code). Respondent
17 Hetherington is licensed as a real estate broker.

18 III

19 Respondent Advanced is presently licensed and/or has
20 license rights under the Real Estate Law (Part I of Division 4 of
21 the Code). Respondent Advanced is licensed as a corporate real
22 estate broker acting by and through its designated officer,
23 respondent Hetherington.

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IV

Respondent Ritts is presently licensed and/or has license rights under the Real Estate Law (Part I of Division 4 of the Code). Respondent Ritts is licensed as a real estate salesperson.

V

Respondent Wood is presently licensed and/or has license rights under the Real Estate Law (Part I of Division 4 of the Code). Respondent Wood is licensed as a real estate broker.

VI

Respondent Miller is presently licensed and/or has license rights under the Real Estate Law (Part I of Division 4 of the Code). Respondent Miller is licensed as a real estate salesperson.

VII

Respondent Hendrickson is presently licensed and/or has license rights under the Real Estate Law (Part I of Division 4 of the Code). Respondent Hendrickson is licensed as a real estate salesperson.

VIII

Respondent Palmer is presently licensed and/or has license rights under the Real Estate Law (Part I of Division 4 of the Code). Respondent Palmer is licensed as a real estate salesperson.

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IX

Respondent Brock is presently licensed and/or has license rights under the Real Estate Law (Part I of Division 4 of the Code). Respondent Brock is licensed as a real estate salesperson.

X

Respondent Zattiero is presently licensed and/or has license rights under the Real Estate Law (Part I of Division 4 of the Code). Respondent Zattiero is licensed as a real estate salesperson.

XI

Respondent Grace is presently licensed and/or has license rights under the Real Estate Law (Part I of Division 4 of the Code). Respondent Grace is licensed as a real estate broker.

XII

Respondent Trope is presently licensed and/or has license rights under the Real Estate Law (Part I of Division 4 of the Code). Respondent Trope is licensed as a real estate salesperson.

XIII

Respondent Fritz is presently licensed and/or has license rights under the Real Estate Law (Part I of Division 4 of the Code). Respondent Fritz is licensed as a real estate broker.

XIV

Respondent Day is presently licensed and/or has license rights under the Real Estate Law (Part I of Division 4 of the Code). Respondent Day is licensed as a real estate broker.

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XV

Each of the respondents at various times participated in and contributed to the unlawful acts and schemes described herein; and whenever reference is made to any act of a particular respondent with reference to a specific cause of Accusation, such reference shall be deemed to mean the act of each respondent named in the cause of Accusation acting individually and jointly.

XVI

Described hereafter are certain transactions involving agreements to sell various parcels of residential real property. In each of these transactions, one or more of the respondents participated, individually and jointly or acted as agents for the other respondents. Beginning in June 1981, respondents entered into a plan and scheme with reference to said transactions, as more fully set forth below, in Paragraph XXVI, with the intent to substantially benefit themselves without regard to the injury their acts would cause to the various sellers named hereafter and without disclosing to said sellers their true intentions with respect to the transactions described hereafter.

XVII

The plan and scheme described in Paragraph XVI involved the following elements to induce owners of the real property described below to sell said real property.

- 1. Representations to owners that respondents had located qualified buyers for their properties.

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2. The offers to purchase called for the obtaining of loans to cover part of the purchase price. A portion of the loan proceeds would be used to pay real estate commissions to respondents.
3. The balance of the purchase price would be paid by the buyers executing a note to the sellers secured by a junior deed of trust on the property.
4. After respondents had obtained payment of the real estate commissions, the buyers would default upon payment of the loans secured by trust deeds on the property.
5. Respondents knew that the buyers of said properties were not able to make the payments on said trust deed loans and that said buyers in fact had no intention of making such payments.

XVIII

Beginning on or about August 15, 1982, Respondents Miller, Wood, Hetherington, Advanced, Ritts and Hendrickson represented to MICHAEL MCGRATH (McGrath) that said respondents had or would locate buyers for 60 units of a condominium project owned by McGrath known as Winchester Oaks (Winchester). Respondents further representd to McGrath that the buyers would be fully qualified and would be able to make the payments on any loans to finance the purchase of units in Winchester. Respondents knew their said representations regarding the buyers were false.

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XIX

On or about September 13, 1982, the respondents named in Paragraph XVIII negotiated the sale of Winchester according to the following terms and conditions:

1. The total purchase price is \$3,517,000.
2. McGrath was to obtain a loan of 85% of the purchase price secured by a first deed of trust on Winchester.
 - a. The obligations under said loan would be assumed by the buyers.
 - b. \$175,850 from the proceeds of said loan would be paid to respondents as a real estate commission.
 - c. The remainder of said loan proceeds would be used to pay existing encumbrances on Winchester.
3. McGrath would carry a note from the buyers for 15% of the purchase price and secured by a second trust deed on Winchester.

XX

In reliance upon the representations made by respondents and described in Paragraphs XVIII and XIX, McGrath agreed to sell Winchester to said buyers.

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XXI

Beginning on or about August 15, 1982, and continuing through November 15, 1982, the respondents named in Paragraph XVIII and respondents Palmer, Brock and Zattiero induced a number of persons to pose as buyers of units in Winchester. Said respondents knew that such persons posing as buyers were unable to or had no intention to make payments on the obligations secured by liens on Winchester.

XXII

On or about November 15, 1982, escrow closed on the purchase of units in Winchester according to the terms and conditions described in Paragraph XIX.

XXIII

On or about November 15, 1982, the following amounts were paid as real estate commissions in the sale of Winchester:

Respondent Miller	\$30,773.40
Respondent Wood	\$30,773.40
Respondent Ritts	\$17,951.15
Respondent Hendrickson	\$20,003.18
Respondent Advanced	\$51,665.60
Respondent Hetherington	\$20,002.98

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1 XXIV

2 Beginning on or about November 15, 1982, respondents
3 Miller, Wood, Ritts, Hendrickson, Advanced, Hetherington, Brock,
4 Palmer and Zattiero collected rental payments and security
5 deposits on Winchester in an amount unknown to complainant, but
6 well known to respondents. Said respondents applied said payments
7 to their benefit and use and not in payment of the amounts due on
8 loans secured by liens on Winchester.

9 XXV

10 Prior to close of escrow on the sale of Winchester,
11 respondents Miller, Wood, Ritts, Hendrickson, Advanced,
12 Hetherington, Brock, Palmer and Zattiero, with the intent to
13 benefit themselves and without disclosing their true intentions to
14 McGrath, entered into a plan and scheme to deceive and make
15 misrepresentations to McGrath.

16 XXVI

17 The plan and scheme described in Paragraph XXV
18 contemplated in essence that respondents Miller, Wood, Ritts,
19 Hendrickson, Advanced and Hetherington would receive commissions
20 for the sale of Winchester; that all the respondents named in
21 Paragraph XXV would arrange for the rental of Winchester, collect
22 rental payments and security deposits and apply said payments to
23 their own benefit; and that said respondents and the persons
24 posing as buyers would not make any payments on the loans secured
25 by first and second deeds of trust on Winchester.

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XXVII

No payments were made by said respondents or the persons posing as buyers on the trust deed loans on Winchester.

XXVIII

The facts described above are grounds for the suspension or revocation of the licenses of respondents Miller, Wood, Ritts, Hendrickson, Brock, Palmer and Zattiero under Sections 10176(a), 10176(i) or 10177(j) of the Code.

XXIX

The facts described above are grounds for the suspension or revocation of the licenses of respondents Advanced and Hetherington under Sections 10176(a), 10176(c), 10176(i), or 10177(j) of the Code.

SECOND CAUSE OF ACCUSATION

There is hereby incorporated into this second, separate and distinct cause of Accusation all of the allegations contained in Paragraphs I, II, III, IV and VII of the First Cause of Accusation with the same force and effect as if herein fully set forth.

XXX

Beginning on or about December 18, 1981, Respondents Hetherington, Advanced, Ritts and Hendrickson represented to ROBERT J. RISPOLI (Rispoli) that said respondents had located buyers for 47 units of a condominium project known as Nantucket Condominiums (Nantucket) located in Sacramento County, California

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1 and owned by Rispoli. Said respondents further representd to
2 Rispoli that said buyers would be fully qualified and would be
3 able to make the payments on any loans used to purchase
4 Nantucket.

5 XXXI

6 On or about December 18, 1981, respondents negotiated
7 the sale of Nantucket according to the following terms and
8 conditions:

- 9 1. Rispoli was to obtain a loan of 75% of the purchase
10 price secured by a first deed of trust on
11 Nantucket.
- 12 a. The obligations under said loan would be
13 assumed by the buyers.
- 14 b. The remainder of said loan proceeds would be
15 used to pay existing encumbrances on Nantucket.
- 16 2. Rispoli would carry a note from the buyers for 25%
17 of the purchase price and secured by a second trust
18 deed on Nantucket.
- 19 3. Rispoli would pay respondents a real estate
20 commission of 2-1/2% of the purchase price.

21 XXXII

22 In reliance upon the representations made by respondents
23 and described in Paragraphs XXX and XXXI, Rispoli agreed to sell
24 Nantucket.

25 XXXIII

26 Beginning on or about December 18, 1981 and continuing
27 through July 21, 1983, respondents induced a number of persons to

1 pose as buyers of units in Nantucket. Said respondents knew that
2 such persons posing as buyers were unable to or had no intention
3 to make payments on the obligations secured by liens on
4 Nantucket.

5 XXXIV

6 Beginning on or about April 23, 1983 and continuing
7 through July 21, 1982, escrow closed on the purchase of units in
8 Nantucket according to the terms and conditions described in
9 Paragraph XXXI.

10 XXXV

11 Beginning on or about April 23, 1982 and continuing
12 through July 21, 1982, respondents were paid a total of \$51,873.50
13 in real estate commissions for the sale of Nantucket.

14 XXXVI

15 Beginning on or about April 23, 1982, respondents
16 collected rental payments and security deposits on Nantucket in an
17 amount unknown to complainant, but well known to respondents.
18 Said respondents applied said payments to their benefit and use
19 and not in payment of the loans secured by liens on Nantucket.

20 XXXVII

21 Prior to close of escrow on the sale of Nantucket,
22 respondents Ritts, Hendrickson, Advanced and Hetherington, with
23 the intent to benefit themselves and without disclosing their true
24 intentions to Rispoli, entered into a plan and scheme to deceive
25 and make misrepresentations to Rispoli.

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XXXVIII

The plan and scheme described in Paragraph XXXVIII contemplated in essence that respondents would receive commissions for the sale of Nantucket; that the respondents would arrange for the rental of Nantucket, collect rental payments and security deposits and apply said payments to their own benefit; and that said respondents and the persons posing as buyers would not make any payments on the loans secured by first and second deeds of trust on Nantucket.

XXXIX

No payments were made by said respondents or the persons posing as buyers on the trust deed loans on Nantucket.

XL

The facts described above are grounds for the suspension or revocation of the licenses of respondents Ritts and Hetherington under Sections 10176(a), 10176(i) or 10177(j) of the Code.

XLI

The facts described above are grounds for the suspension or revocation of the licenses of respondents Advanced and Hetherington under Sections 10176(a), 10176(c), 10176(i), or 10177(j) of the Code.

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8010 Wagon Trail Way - \$77,500

293 Brewster - \$99,500

- 2. Respondent Hendrickson or assignee would assume existing trust deed loans on the Properties.
- 3. The remaining balance of the purchase price would be carried by the Grandonas in the form of a note secured by second deeds of trust on the Properties.
- 4. Grandonas would pay respondents a real estate commission of 6% of the purchase price of the Properties.

XLV

In reliance upon the representations made by respondents and described in Paragraphs XLII, XLIII and XLIV, the Grandonas agreed to sell the Properties.

XLVI

On or about December 31, 1981, escrow closed on the purchase of the Properties according to the terms and conditions described in Paragraph XLIV.

XLVII

On or about December 31, 1981, respondent Hendrickson assigned her interest in buying the Properties to LEROY and JANICE BROXTON (Broxtons).

XLVIII

On or about December 31, 1981, respondents were paid \$25,050 as real estate commissions on the sale of the Properties.

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2 Beginning on or about January 1, 1982, respondents
3 collected rental payments and security deposits on the Properties
4 in an amount unknown to complainant, but well known to
5 respondents. Said respondents applied said payments to their
6 benefit and use and not in payment of the loans secured by liens
7 on the Properties.

8 L

9 Prior to close of escrow on the sale of the Properties,
10 respondents Hendrickson, Advanced and Hetherington, with the
11 intent to benefit themselves and without disclosing their true
12 intentions to the Grandonas entered into a plan and scheme to
13 deceive and make misrepresentations to the Grandonas.

14 LI

15 The plan and scheme described in Paragraph L
16 contemplated in essence that respondents would receive commissions
17 for the sale of the Properties; that respondents would arrange for
18 the rental of the Properties, collect rental payments and security
19 deposits and apply said payments to their own benefit; and that
20 said respondents and the Broxtons would not make any payments on
21 the loans secured by first and second deeds of trust on the
22 Properties.

23 LII

24 No payments were made by said respondents or the
25 Broxtons on the trust deed loans on the Properties.

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LVII

The purchase of said parcels included the following terms and conditions:

1. The Broxtons would assume existing trust deed loans on the Parcels.
2. The remaining balance of the purchase price would be carried by the Rices in the form of a note secured by second deeds of trust on the Parcels.
3. The Rices would pay respondents a real estate commission of 6% of the purchase price of the Parcels.

LVIII

In reliance upon the representations made by respondents and described in Paragraphs LVI and LVII, the Rices agreed to sell the Parcels.

LIX

On or about April 26, 1982, escrow closed on the purchase of the Parcels according to the terms and conditions described in Paragraph LVIII.

LX

On or about April 26, 1982, respondents were paid \$20,160 as real estate commissions on the sale of the Parcels.

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LXI

Beginning on or about April 26, 1982, respondents collected rental payments and security deposits on the Parcels in an amount unknown to complainant, but well known to respondents. Said respondents applied said payments to their benefit and use and not in payment of the loans secured by liens on the Parcels.

LXII

Prior to close of escrow on the sale of the Parcels, respondents, with the intent to benefit themselves and without disclosing their true intentions to the Rices, entered into a plan and scheme to deceive and make misrepresentations to the Rices.

LXIII

The plan and scheme described in Paragraph LXII contemplated in essence that respondents would receive commissions for the sale of the Parcels; that respondents would arrange for the rental of the Parcels, collect rental payments and security deposits and apply said payments to their own benefit; and that said respondents and the persons posing as buyers would not make any payments on the loans secured by first and second deeds of trust on the Parcels.

LXIX

No payments were made by said respondents or the persons posing as buyers on the trust deed loans on the Parcels.

LXX

The facts described above are grounds for the suspension or revocation of the licenses of respondents Hendrickson and Fritz under Sections 10176(a), 10176(i) or 10177(j) of the Code.

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LXXI

The facts described above are grounds for the suspension or revocation of the licenses of respondents Advanced and Hetherington under Sections 10176(a), 10176(c), 10176(i), 10177(h) or 10177(j) of the Code.

FIFTH CAUSE OF ACCUSATION

There is hereby incorporated into this fifth, separate and distinct cause of Accusation all of the allegations contained in Paragraphs I, II, III, XIV of the First Cause of Accusation with the same force and effect as if herein fully set forth.

LXXII

On or about September 1, 1981, Respondents Hetherington, Advanced and Day negotiated the sale of real property known as 2340 Rosado Way, Rancho Cordova, California (Rosado Way) and owned by WALTER A. and SYLVIA I. HETTICH (Hettiches).

LXXIII

Said respondents represented that the buyers, the Broxtons, would be fully qualified and able to make the payments on any loans used to purchase Rosado Way and that such payments would be made.

LXXIV

The purchase of Rosado Way included the following terms and conditions:

1. The purchase price was \$62,000.
2. The Broxtons would assume existing trust deed loans on Rosado Way.

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LXXIX

Prior to close of escrow on the sale of Rosado Way, respondents, with the intent to benefit themselves and without disclosing their true intentions to the Hettiches, entered into a plan and scheme to deceive and make misrepresentations to the Hettiches.

LXXX

The plan and scheme described in Paragraph LXXIX contemplated in essence that respondents would receive commissions for the sale of Rosado Way; that all the respondents would arrange for the rental of Rosado Way, collect rental payments and security deposits and apply said payments to their own benefit; and that said respondents and the persons posing as buyers would not make any payments on the loans secured by first, second and third deeds of trust on Rosado Way.

LXXXI

No payments were made by said respondents or the persons posing as buyers on the trust deed loans on Rosado Way.

LXXXII

The facts described above are grounds for the suspension or revocation of the licenses of respondent Day under Sections 10176(a), 10176(i) or 10177(j) of the Code.

LXXXIII

The facts described above are grounds for the suspension or revocation of the licenses of respondents Advanced and Hetherington under Sections 10176(a), 10176(c), 10176(i), 10177(h) or 10177(j) of the Code.

1 4. The Williams would pay respondents a real estate
2 commission of 6% of the purchase price of Bruce Way.

3 LXXXVII

4 In reliance upon the representaions made by respondents
5 and described in Paragraphs LXXXV and LXXXVI, the Williams agreed
6 to sell Bruce Way.

7 LXXXVIII

8 On or about January 11, 1982, escrow closed on the
9 purchase of Bruce Way according to the terms and conditions
10 described in Paragraph LXXXVI.

11 LXXXIX

12 On or about January 11, 1982, respondents were paid
13 \$3,299 as real estate commissions on the sale of Bruce Way.

14 XC

15 Beginning on or about January 11, 1982, respondents
16 collected rental payments and security deposits on Bruce Way in an
17 amount unknown to complainant, but known to respondents.
18 Respondents applied the payments to their benefit and use and not
19 in payment of the loans secured by liens on Bruce Way.

20 XCI

21 Prior to close of escrow on the sale of Bruce Way,
22 respondents, with the intent to benefit themselves and without
23 disclosing their true intentions to the Williams, entered into a
24 plan and scheme to deceive and make misrepresentations to the
25 Williams.

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XCII

The plan and scheme described in Paragraph XCI contemplated in essence that respondents would receive commissions for the sale of Bruce Way; that all the respondents would arrange for the rental of Bruce Way, collect rental payments and security deposits and apply said payments to their own benefit; and that said respondents and the persons posing as buyers would not make any payments on the loans secured by first, second and third deeds of trust on Bruce Way.

XCIII

No payments were made by said respondents or the persons posing as buyers on the trust deed loans on Bruce Way.

XCIV

The facts described above are grounds for the suspension or revocation of the licenses of respondent Day under Sections 10176(a), 10176(i) or 10177(j) of the Code.

XCV

The facts described above are grounds for the suspension or revocation of the licenses of respondents Advanced and Hetherington under Sections 10176(a), 10176(c), 10176(i), 10177(h) or 10177(j) of the Code.

SEVENTH CAUSE OF ACCUSATION

There is hereby incorporated into this seventh, separate and distinct cause of Accusation all of the allegations contained in Paragraphs I, II, and III of the First Cause of Accusation with the same force and effect as if herein fully set forth.

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XCVI

On or about October 1, 1981, Respondents Hetherington and Advanced negotiated the sale of real property known as 8805 Canarsie Avenue, Orangevale, California (Canarsie Avenue) and owned by BILLY D. and DONNA MAY HARRIS (Harrises).

XCVII

Respondents represented that the buyers, the Broxtons, would be fully qualified and able to make the payments on any loans used to purchase Canarsie Avenue and that such payments would be made.

XCVIII

The purchase of Canarsie Avenue included the following terms and conditions:

1. The purchase price was \$68,000.
2. The Broxtons would assume existing trust deed loans on Canarsie Avenue.
3. The remaining balance of the purchase price would be carried by the Harrises in the form of notes secured by second and third deeds of trust on Canarsie Avenue. The note secured by a second trust deed would be sold in escrow.
4. The Harrises would pay respondents a real estate commission of 6% of the purchase price of Canarsie Avenue.

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XCIX

In reliance upon the representations made by respondents and described in Paragraphs XCVII and XCVIII, the Harrises agreed to sell Canarsie Avenue.

C

On or about November 17, 1981, escrow closed on the purchase of Canarsie Avenue according to the terms and conditions described in Paragraph XCVIII.

CI

On or about November 17, 1981, respondents were paid \$4,080 as real estate commissions on the sale of Canarsie Avenue.

CII

Beginning on or about November 17, 1981, respondents collected rental payments and security deposits on Canarsie Avenue in an amount unknown to complainant, but well known to respondents. Said respondents applied said payments to their benefit and use and not in payment of the loans secured by liens on Canarsie Avenue.

CIII

Prior to close of escrow on the sale of Canarsie Avenue, respondents, with the intent to benefit themselves and without disclosing their true intentions to the Harrises, entered into a plan and scheme to deceive and make misrepresentations to the Harrises.

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1 CIV

2 The plan and scheme described in Paragraph CIII
3 contemplated in essence that respondents would receive commissions
4 for the sale of Canarsie Avenue; that respondents would arrange
5 for the rental of Canarsie Avenue, collect rental payments and
6 security deposits and apply said payments to their own benefit;
7 and that said respondents and the persons posing as buyers would
8 not make any payments on the loans secured by first and second
9 deeds of trust on Canarsie Avenue.

10 CV

11 No payments were made by said respondents or the persons
12 posing as buyers on the trust deed loans on Canarsie Avenue.

13 CVI

14 The facts described above are grounds for the suspension
15 or revocation of the licenses of respondents Hetherington and
16 Advanced under Sections 10176(a), 10176(i) or 10177(j) of the
17 Code.

18 EIGHTH CAUSE OF ACCUSATION

19 There is hereby incorporated into this eighth, separate
20 and distinct cause of Accusation, all of the allegations contained
21 in Paragraphs I, II and III of the First Cause of Accusation with
22 the same force and effect as if herein fully set forth.

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CVII

On or about January 1, 1982, real estate broker licenses were issued to respondents authorizing respondents to engage in a real estate brokerage business at 6830 Antelope Road, Suite A, Citrus Heights, California.

CVIII

At sometime prior to March 7, 1983, respondents ceased to do business at, and abandoned, the aforesaid premises as the office for transaction of their real estate brokerage business. Respondents have not notified the Department of Real Estate of the State of California (Department) that they are not maintaining their place of business at said premises and have failed to apply to the Department for a transfer of their real estate broker licenses to another location.

CIX

The facts alleged above are grounds for the suspension or revocation of the licenses of respondents Hetherington and Advanced under Section 10162 of the Code and Section 2715 of Title 10, California Administrative Code (Regulations) in conjunction with Section 10177(d) of the Code.

CX

Beginning on or before March 1, 1983 and continuing through the present, respondent Hetherington performed acts for which a real estate license is required using the fictitious business name "National Property Research Development".

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CXI

Prior to and during the period described in Paragraph CX, no license bearing the fictitious business name "National Property Research Development" was issued to respondent Hetherington by the Department as required by Section 2731 of the Regulations.

CXII

The facts alleged above are grounds for the suspension or revocation of respondent Hetherington's license under Section 10177(d) of the Code.

NINTH CAUSE OF ACCUSATION

There is hereby incorporated into this ninth, separate and distinct cause of Accusation, all of the allegations contained in Paragraphs I and X of the First Cause of Accusation with the same force and effect as if herein fully set forth.

CXIII

On or about July 15, 1982, respondent Zattiero induced KATHERYN KORN (Korn) to sell property located in Napa, California (Napa Property) to respondent Zattiero. In order to induce Korn to transfer title to said property, respondent Zattiero represented that he would give Korn an interest in a note secured by a deed of trust on real property located in Atherton, California. Respondent further represented that there was sufficient equity in said real property to act as security for the note.

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CXIV

In reliance upon said representations and promises by respondent Zattiero, Korn agreed to and did sell the Napa Property.

CXV

Respondent's representations and promises referred to in Paragraph CXIII were false or misleading and were known by respondent to be false or misleading when made or were made by respondent with no reasonable grounds for believing said representations to be true.

CXVI

In truth and in fact, the deed of trust on the Atherton Property was not recorded and was junior to other encumbrances on said property. There was not sufficient equity in the Atherton Property to act as security for the note described in Paragraph

CXVII

The facts alleged above are grounds for the suspension or revocation or respondent Zattiero's license under Sections 10177(f) and 10177(j) of the Code.

TENTH CAUSE OF ACCUSATION

There is hereby incorporated into this tenth, separate and distinct cause of Accusation, all of the allegations contained in Paragraphs I, X, XI and XII of the First Cause of Accusation with the same force and effect as if herein fully set forth.

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CXVIII

On or about December 17, 1982, respondent Zattiero, acting by and through respondents Grace and Trope, offered to exchange certain condominium units owned by respondent Zattiero in Winchester Oaks, (Winchester) and more fully described in the First Cause of Accusation for certain real property owned by INGE BECK (Beck) and commonly known as 210 Fox Street, Kings Beach, California (Fox Street).

CXIX

In order to induce Beck to agree to said exchange, respondents Zattiero, Grace and Trope, represented that respondent Zattiero owned units in Winchester and that the equity in such units exceeded \$100,000.

CXX

On or about December 29, 1982, in reliance upon the representations described in Paragraph CXIX, Beck agreed to and did transfer title to Fox Street to respondent Zattiero.

CXXI

The representations of respondents Zattiero, Grace and Trope described in Paragraph CXIX were false or misleading and were known by respondents, and each of them, to be false or misleading when made or were made by respondents with no reasonable grounds for believing said representations to be true.

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CXXIII

The facts alleged above are grounds for the suspension or revocation of respondent Zattiero's license under Sections 10177(f) and 10177(j) of the Code.

CXXIV

The facts alleged above are grounds for the suspension or revocation of the licenses of respondents Grace and Trope under Sections 10176(a), 10176(i) or 10177(g) of the Code.

CXXV

The purpose of this Accusation is to give the respondents notice pursuant to the Administrative Procedure Act of the acts and omissions with which they are charged to the end that respondents will be able to prepare their defense. Accordingly, respondents are hereby notified that the complainant may offer evidence on all facts and circumstances preceding, leading up to, surrounding, accompanying or following the transactions and/or the acts and omissions alleged above which show or tend to show the respondents' motive, intent, modus operandi or other matters or conduct related to the acts or omissions with which they are charged. In addition, the complainant may offer evidence regarding respondents' credibility.

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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 respondents Hetherington, Advanced, Ritts, Wood, Miller, Hendrickson, Palmer, Brock, Zattiero, Grace, Trope, Fritz and Day under the Real Estate Law (Part I of Division 4 of the Business and Professions Code) and for such other and further relief as may be proper under the applicable provisions of law.

Margaret G. Straub
for DUANE A. AASLAND
Deputy Real Estate Commissioner

Dated at Sacramento, California,
this 22nd day of August, 1983.