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OURT PAPER STATE OF CALIFORNIA STD. 113 (REV. B-72) DEPARTMENT OF REAL ESTATE

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of

FRAN SHELTON & ASSOCIATES, LARRY GALE FEATHERSTON, MARY LOUISE REDDING,

Respondents.

NO. H-2445 SAC

N - 34768

ORDER DENYING RECONSIDERATION

On or about June 20, 1990, a Decision After Rejection was rendered in the above-entitled matter. The Decision After Rejection is to become effective on August 15, 1990.

On July 16, 1990, respondent MARY LOUISE REDDING petitioned for reconsideration of the Decision of June 20, 1990.

I have given due consideration to the petition of respondent MARY LOUISE REDDING. I find no good cause to reconsider the Decision After Rejection of June 20, 1990 and reconsideration is hereby denied.

IT IS SO ORDERED

JAMES A. EDMONDS, JR. Real Estate Commissioner

John'R. Liberator

Chief Deputy Commissioner

1 2 3 4 STATE OF REAL ESTATE 5 6 7 8 BEFORE THE DEPARTMENT OF REAL ESTATE 9 STATE OF CALIFORNIA 10 11 In the Matter of the Accusation of) 12 FRAN SHELTON & ASSOCIATES, NO. H-2445 SAC LARRY GALE FEATHERSTON, and 13 MARY LOUISE REDDING, OAH NO. N-34768 14 Respondents.) 15 ORDER STAYING EFFECTIVE DATE On June 20, 1990, a Decision was rendered in the 16 above-entitled matter as to MARY LOUISE REDDING only, to become 17 effective July 16, 1990. 19 IT IS HEREBY ORDERED that the effective date of the Decision of June 20, 1990 is stayed for a period of thirty (30) 20 21 days. 22

The Decision of June 20, 1990, shall become effective at 12 o'clock noon on August 15, 1990.

DATED:

JAMES A. EDMONDS, JR. Real Estate Commissioner

By:

 $\not\!{\!\! D}$ hief Deputy Commissioner

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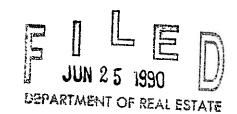
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DAVID A. PETERS, Counsel Department of Real Estate P. O. Box 187000 Sacramento, CA 95818-7000

(916) 739-3607



By Saurie a. Zan

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of)

FRAN SHELTON & ASSOCIATES, LARRY GALE FEATHERSTON, and MARY LOUISE REDDING,

Respondents.

NO. H-2445 SAC

OAH No. N-34768

DECISION AFTER REJECTION

The matter came on for hearing before John D. Wagner,
Administrative Law Judge of the Office of Administrative Hearings,
in Sacramento, California, on February 8, 1990.

David A. Peters, Counsel, represented the complainant.

Respondent MARY LOUISE REDDING was present and represented by her attorney Douglas M. Bussey.

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

On March 6, 1990, the Administrative Law Judge submitted a Proposed Decision which I declined to adopt as my Decision herein. Pursuant to Section 11517(c) of the Government

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OURT PAPER STATE OF CALIFORNIA STD. 113 (REV. 8-72)

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Code of the State of California, Respondent was served with notice 1 of my determination not to adopt the Proposed Decision of the 2 Administrative Law Judge along with a copy of said Proposed 3 Decision. Respondent was notified that the case would be decided 4 5 by me upon the record, the transcript of proceedings held on February 8, 1990 and upon any written argument offered by 6 7 Respondent.

Respondent submitted written argument on May 3, 1990.

I have given careful consideration to the record in this case including the transcript of proceedings of February 8, 1990 and Respondent's written argument.

The following shall constitute the Decision of the Real Estate Commissioner in this proceeding:

FINDINGS OF FACT

Ι

G. Mike Pace made the Accusation in his official capacity as a Deputy Real Estate Commissioner of the State of California.

II

Respondent REDDING is presently licensed and/or has license rights under the Real Estate Law, as a real estate salesperson. At all times herein mentioned and until December 1, 1987, respondent REDDING acted in the employ of FRAN SHELTON & ASSOCIATES, a licensed real estate corporation whose designated broker-officer was LARRY GALE FEATHERSTON.

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From May 31, 1985 to December 1, 1987, FRAN SHELTON & ASSOCIATES, LARRY GALE FEATHERSTON, and respondent REDDING, acting on behalf of others and in expectation of compensation, managed rental real properties located in or near Chico, California. connection with the collection and disbursement of said trust funds, respondent REDDING disbursed or caused to be disbursed trust funds in such manner that as of November 30, 1987, there was a shortage of \$42,289.38 of trust funds in said trust account.

IV

In connection with the property management activities described in Finding III, FRAN SHELTON & ASSOCIATES, LARRY GALE FEATHERSTON, and respondent REDDING received and disbursed funds held in trust on behalf of others. During the period from August 22, 1986 to November 30, 1987, respondent REDDING commingled with her own money or property said funds to her own use or benefit or for purposes not authorized by the rightful owners of said funds. The amount of said commingled and converted trust funds was approximately \$33,000.00.

No substantial evidence of extenuation, mitigation or rehabilitation was received, other than the fact that respondent REDDING has reimbursed the rightful owners of the money she commingled in the amount of \$18,000.00. The fact that respondent REDDING may have had legitimate claims for unpaid compensation, reimbursements, and other benefits against her partners, FRAN SHELTON & ASSOCIATES and LARRY GALE FEATHERSTON, which were

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unsatisfied, is not mitigation or extenuation for her satisfying such claims out of funds held in trust for property owners. Said funds were not funds of the property management business and should not have been used to satisfy business debts.

Although respondent REDDING is remorseful and does not intend to use trust funds for unauthorized purposes in the future, it is clear that respondent REDDING does not fully understand the concept of holding funds in trust for others and is not able to clearly distinguish between said trust funds, business operating funds, and funds owed to her. Respondent REDDING is not rehabilitated.

DETERMINATION OF ISSUES

T

Clear and convincing evidence to a reasonable certainty establishes cause for discipline of respondent MARY LOUISE REDDING's real estate license and all license rights for violation of Sections 10176(e) and 10176(i) of the Business and Professions Code.

II

In view of the seriousness of the violations, the absence of extenuation or mitigation, and Respondent's lack of rehabilitation, including her continuing lack of understanding and appreciation for the concept of trust monies, a concept which is fundamental to the activities of a real estate licensee, her license should be revoked.

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OURT PAPER STATE OF CALIFORNIA STD. 113 (REV. 8-72)

ORDER

All real estate licenses and license rights of respondent MARY LOUISE REDDING are hereby revoked. The Decision shall become effective at 12 o'clock noon <u>July 16</u>, 1990. JAMES A. EDMONDS, JR. Real Estate Commissioner

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