

DEPARTMENT OF REAL ESTATE
P. O. Box 187000
Sacramento, CA 95818-7000
Telephone: (916) 227-0789

FILED
JUL 19 2001

DEPARTMENT OF REAL ESTATE

By Kathleen Contreras

BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
SARDON CORPORATION, and)
ROY EVERETT WILLIAMS,)
Respondents.)

NO. H-2559 SD
STIPULATION AND AGREEMENT

It is hereby stipulated by and between SARDON CORPORATION ("Respondent SARDON"), and ROY EVERETT WILLIAMS ("Respondent WILLIAMS"), (collectively "Respondents"); Respondents' counsel, David S. Bright; and the Complainant, acting by and through Larry A. Alamao, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on May 8, 2000, in this matter:

1. All issues which were to be contested and all evidence which was to be presented by Complainant and Respondents at a formal hearing on the Accusation, which hearing was to

1 at a formal hearing on the Accusation, which hearing was to be
2 held in accordance with the provisions of the Administrative
3 Procedures Act (APA), shall instead and in place thereof be
4 submitted solely on the basis of the provisions of this
5 Stipulation and Agreement.

6 2. Respondents have received, read and understand the
7 Statement to Respondent, the Discovery Provisions of the APA, and
8 the Accusation filed by the Department of Real Estate in this
9 proceeding.

10 3. On May 15, 2000, Respondents filed a Notice of
11 Defense pursuant to Section 11505 of the Government Code for the
12 purpose of requesting a hearing on the allegations in the
13 Accusation. Respondents hereby freely and voluntarily withdraw
14 said Notice of Defense. Respondents acknowledge that they
15 understand that by withdrawing said Notice of Defense they will
16 thereby waive their right to require the Commissioner to prove
17 the allegations in the Accusation at a contested hearing held in
18 accordance with the provisions of the APA, and that they will
19 waive other rights afforded to them in connection with the
20 hearing such as the right to present evidence in defense of the
21 allegations in the Accusation and the right to cross-examine
22 witnesses.

23 4. This Stipulation is based on the factual
24 allegations contained in the Accusation. In the interests of
25 expedience and economy, Respondents choose not to contest these
26 allegations, but to remain silent and understand that, as a
27 result thereof, these factual allegations, without being admitted

1 or denied, will serve as a prima facie basis for the disciplinary
2 action stipulated to herein. The Real Estate Commissioner shall
3 not be required to provide further evidence to prove said factual
4 allegations.

5 5. It is understood by the parties that the Real
6 Estate Commissioner may adopt the Stipulation and Agreement as
7 her decision in this matter, thereby imposing the penalty and
8 sanctions on Respondents' real estate licenses and license
9 rights as set forth in the below "Order". In the event that
10 the Commissioner in her discretion does not adopt the
11 Stipulation and Agreement, it shall be void and of no effect,
12 and Respondents shall retain the right to a hearing and
13 proceeding on the Accusation under all the provisions of the
14 APA and shall not be bound by any admission or waiver made
15 herein.

16 6. The Order or any subsequent Order of the Real
17 Estate Commissioner made pursuant to this Stipulation and
18 Agreement shall not constitute an estoppel, merger or bar to any
19 further administrative or civil proceedings by the Department of
20 Real Estate with respect to any matters which were not
21 specifically alleged to be causes for accusation in this
22 proceeding.

23 7. Respondents understand that by agreeing to this
24 Stipulation and Agreement, Respondents agree to pay, pursuant to
25 Section 10148 of the Business and Professions Code, the cost of
26 the audit which led to this disciplinary action. The amount of
27 said cost is \$3,066.69.

1 8. Respondents have received, read, and understand the
2 "Notice Concerning Costs of Subsequent Audit". Respondents
3 further understand that by agreeing to this Stipulation and
4 Agreement, the findings set forth below in the DETERMINATION OF
5 ISSUES become final, and that the Commissioner may charge
6 Respondents for the costs of any subsequent audit conducted
7 pursuant to Section 10148 of the Business and Professions Code to
8 determine if the violations have been corrected. The maximum
9 costs of said audit will not exceed \$3,066.69.

10 DETERMINATION OF ISSUES

11 By reason of the foregoing stipulations, admissions and
12 waivers, and solely for the purpose of settlement of the pending
13 Accusation without a hearing, it is stipulated and agreed that
14 the following determination of issues shall be made:

15 I

16 The conduct of Respondent SARDON, as described in the
17 Accusation, is cause for the suspension or revocation of the real
18 estate license and license rights of Respondent SARDON under the
19 provisions of Section 10177(d) of the California Business and
20 Professions Code ("Code"), in conjunction with Section 2726,
21 2731, 2752, 2831, 2831.1, 2831.2, and 2834 of Title 10,
22 California Code of Regulations.

23 II

24 The conduct of Respondent WILLIAMS, as described in the
25 Accusation, is cause for the suspension or revocation of the real
26 estate license and license rights of Respondent WILLIAMS under
27 the provisions of Section 10177(h) of the Code.

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1 brokers, and shall include a allocation for travel time to
2 and from the auditor's place of work. Respondents shall pay
3 such costs within sixty (60) days of receiving an invoice
4 from the Commissioner detailing the activities performed
5 during the audit and the amount of time spent performing
6 those activities. If payment is not timely made as provided
7 for herein, or as provided for in a subsequent agreement
8 between the Respondent and the Commissioner, the
9 Commissioner may, without a hearing, order the suspension
10 of the real estate license(s) and license rights of
11 Respondents. The suspension shall remain in effect until
12 payment is made in full, or until Respondents enter into an
13 agreement satisfactory to the Commissioner to provide for
14 payment.

15 APRIL 2, 2001

16 DATED

15 Larry A. Alamao

16 LARRY A. ALAMAO
17 Counsel for the Complainant

18 * * *

19 I have read the Stipulation and Agreement, have
20 discussed it with my counsel, and its terms are understood by me
21 and are agreeable and acceptable to me. I understand that I am
22 waiving rights given to me by the California Administrative
23 Procedure Act (including but not limited to Sections 11506,
24 11508, 11509, and 11513 of the Government Code), and I willingly,
25 intelligently and voluntarily waive those rights, including the
26 right of requiring the Commissioner to prove the allegations in
27 the Accusation at a hearing at which I would have the right to

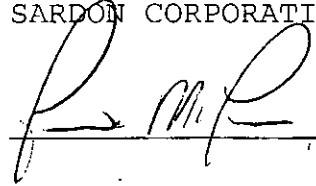
1 cross-examine witnesses against me and to present evidence in
2 defense and mitigation of the charges.

3
4 SARDON CORPORATION, Respondent

5 4/26/01

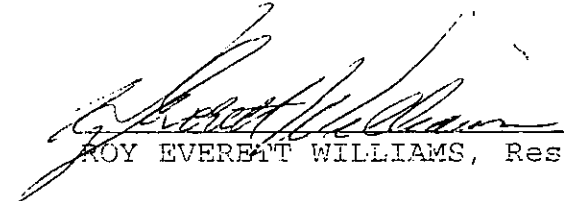
6 DATED

By:

 PRESIDENT

7
8 4/26/01

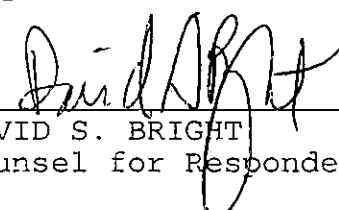
9 DATED


ROY EVERETT WILLIAMS, Respondent

10 I have reviewed the Stipulation and Agreement as to
11 form and content and have advised my clients accordingly.

12 5/4/01

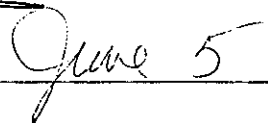
13 DATED

14 
DAVID S. BRIGHT
Counsel for Respondents

15 * * *

16
17 The foregoing Stipulation and Agreement is hereby
18 adopted by the Real Estate Commissioner as her Decision and
19 Order, and shall become effective at 12 o'clock noon on
20 August 8, 2001.

21 IT IS SO ORDERED

 2001.

22
23 PAULA REDDISH ZINNEMANN
Real Estate Commissioner

24 

FILED
AUG 22 2000

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

By Kathleen Contreras

In the Matter of the Accusation of

SARDON CORPORATION, and
ROY EVERETT WILLIAMS,

}

Case No. H-2559 SD

OAH No. L-2000080205

Respondent

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 _____

The Office of Administrative Hearings, 1350 Front Street,

Room 6022, San Diego, California 92101

on November 2, 2000, and November 3, 2000, at the hour of 9:00 AM,
or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of
hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten
(10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days
will deprive you of a change in the place of the hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You
are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent
yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the
Department may take disciplinary action against you based upon any express admission 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.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who
does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The
interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

DEPARTMENT OF REAL ESTATE

Dated: August 21, 2000

By

Larry Alamao
LARRY A. ALAMAO, Counsel
for THOMAS C. LASKEN, Counsel

1 THOMAS C. LASKEN, Counsel
2 Department of Real Estate
3 P. O. Box 187000
Sacramento, CA 95818-7000

4 Telephone: (916) 227-0789

FILED

MAY - 8 2000

DEPARTMENT OF REAL ESTATE

By Kathleen Contreras

8 BEFORE THE
9 DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)
13 SARDON CORP; and) NO. H-2559 SD
14 ROY EVERETT WILLIAMS,)
15 Respondents.) ACCUSATION

16 The Complainant, J. CHRIS GRAVES, a Deputy Real Estate
17 Commissioner of the State of California, for cause of Accusation
18 against SARDON CORP; and against ROY EVERETT WILLIAMS,
19 individually and as Designated Officer of SARDON CORP; is
20 informed and alleges as follows:

21 I

22 The Complainant, J. CHRIS GRAVES, a Deputy Real Estate
23 Commissioner of the State of California, makes this Accusation in
24 his official capacity.

25 II

26 At all times herein mentioned, Respondent SARDON CORP
27 (hereinafter "Respondent SARDON") was licensed and/or had license

1 rights under the Real Estate Law, Part 1 of Division 4 of the
2 Business and Professions Code (hereinafter "Code") as a real
3 estate brokerage corporation by and through Respondent ROY
4 EVERETT WILLIAMS (hereinafter "Respondent WILLIAMS") as its
5 Designated Officer.

6 III

7 At all times herein mentioned, Respondent WILLIAMS was
8 licensed, and/or has license rights under the Code, individually
9 and as Designated Officer of Respondent SARDON.

10 IV

11 At all times mentioned herein, Respondent SARDON
12 engaged in the business of, acted in the capacity of, advertised
13 or assumed to act as real estate broker within the State of
14 California, within the meaning of Section 10131(b) of the Code,
15 including the operation and conduct of a real estate property
16 management business with the public, wherein Respondent SARDON,
17 for or in expectation of a compensation, leased or rented or
18 offered to lease or rent, or solicited listings of, places for
19 rent; solicited prospective tenants for, negotiated rental
20 agreements for, and collected rents from, real properties owned
21 by another or others; and otherwise managed real properties in
22 California.

23 V

24 During the course of the real property management
25 activities described in Paragraph IV above, Respondent SARDON
26 received and disbursed funds held in trust on behalf of another
27 or others.

1 VI

2 Within the three-year period immediately preceding the
3 filing of this Accusation, Respondent SARDON maintained the
4 following trust accounts for its real estate business:

5 California Bank & Trust
6 5500 Grossmont Center Drive
7 La Mesa, CA 91942

8 Account No. 108228001

9 Title: Sardon Corp, Property Management Trust Account
10 ("TA 1");

11 California Bank & Trust
12 5500 Grossmont Center Drive
13 La Mesa, CA 91942

14 Account No. 107937901

15 Title: Sardon Corp,
16 DbA ERA Heartland Realty Trust Account
17 ("TA 2").

18 VII

19 Commencing on June 7, 1999, and continuing through
20 June 10, 1999, an investigative audit was made by the Department
21 of Real Estate (hereinafter "Department") of Respondent SARDON's
22 records for the period of April 1, 1997, through May 31, 1999
23 ("the audit period"), as those records relate to Respondent
24 SARDON's licensed activities in its real estate property
25 management business.

26 VIII

27 In connection with the collection and disbursement of
trust funds, Respondent SARDON failed to deposit and maintain
trust funds in TA 1 in such manner that as of April 30, 1999,
there was a shortage of \$361.05 of trust funds, and as of May 31,
1999, a shortage of \$177.27.

IX

As of the dates set forth in Paragraph VIII above, Respondent SARDON disbursed, or caused or permitted the disbursement of, trust funds from TA 1, without the prior written consent of every principal who was an owner of the funds in the account, where the disbursement reduced the balance of funds in the accounts to an amount which was less than the existing aggregate trust fund liability of Respondent SARDON to all owners of said funds in the amounts set forth in Paragraph VIII above, in violation of Section 2832.1 of Title 10, California Code of Regulations (hereinafter "Regulations").

X

During the audit period, as to TA 1, in connection with the receipt and disbursement of trust funds, Respondent SARDON failed to maintain columnar records of all the trust funds received and disbursed, in conformance with Section 2831 of the Regulations.

XI

During the audit period, as to TA 1, in connection with the receipt and disbursement of trust funds, Respondent SARDON failed to maintain separate records for each beneficiary or transaction, accounting for all trust funds received, deposited, and disbursed, in conformance with Section 2831.1 of the Regulations.

XII

During the audit period, as to TA 1, in connection with the receipt and disbursement of trust funds, Respondent SARDON

1 failed to reconcile the balances of all separate beneficiary or
2 transaction records maintained with the record of all trust funds
3 received and disbursed at least once a month, in violation of
4 Section 2831.2 of the Regulations.

5 XIII

6 During the audit period, as to TA 1 and TA 2, in
7 connection with the receipt and disbursement of trust funds,
8 Respondent SARDON did not maintain Respondent WILLIAMS as a
9 signatory on TA 1 or TA 2, and allowed withdrawal from TA 1 and
10 TA 2 by salespersons not so authorized in writing, in violation
11 of Section 2834 of the Regulations.

12 XIV

13 During the audit period, Respondent SARDON operated its
14 property management business under the fictitious business names
15 "Heartland Real Estate" and "Heartland Property Management"
16 without obtaining a real estate license bearing said fictitious
17 business name in violation of Section 10159.5 of the Code and
18 Section 2731 of the Regulations.

19 XV

20 During the audit period, Respondent SARDON failed to
21 notify the Real Estate Commissioner of the employment and
22 termination of employment of salespersons licensed to it, in
23 violation of Section 10161.8 of the Code and Section 2752 of
24 the Regulations.

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XVI

During the audit period, Respondent SARDON failed to have a written agreement with each of its salespersons, in violation of Section 2726 of the Regulations.

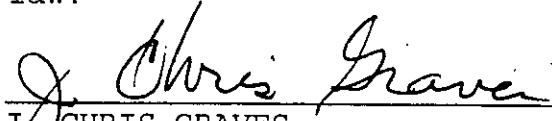
XVII

Respondent SARDON's acts and omissions alleged above in Paragraphs VIII through XVI constitute cause for discipline under the provisions of Section 10177(d) of the Code.

XVIII

During the audit period, Respondent WILLIAMS, as designated broker-officer for Respondent SARDON, failed to exercise reasonable supervision and control over the licensed activities of Respondent SARDON as required by Section 10159.2 of the Code. Such failure is cause for the suspension or revocation of Respondent WILLIAMS' licenses and/or license rights under Section 10177(h) of the Code.

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, under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under the provisions of law.


J. CHRIS GRAVES
Deputy Real Estate Commissioner

Dated at San Diego, California,
this 25th day of April, 2000.