APR 2 1 2005

DEPARIMENT OF REAL ESTATE

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By Jean Aumi

BEFORE THE DEPARTMENT OF REAL ESTATE STATE OF CALIFORNIA

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In the Matter of the Accusation of

No. H-2664 SD

JON MILLER REALTY, INC.,

JON MONROE MILLER,

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Respondents.

ORDER GRANTING REINSTATEMENT OF LICENSE

On March 19, 2002, an Order was rendered herein revoking the real estate broker licenses of Respondents but granting Respondents the right to apply for a restricted real estate broker license upon terms and conditions. Restricted real estate broker licenses were issued to Respondent JON MILLER REALTY, INC. and Respondent JON MONROE MILLER on April 10, 2002.

On July 12, 2004, Respondents petitioned for reinstatement of their real estate broker licenses and the Attorney General of the State of California has been given notice of the filing of said petition.

I have considered the petitions of Respondents and the evidence and arguments in support thereof including Respondents'

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records as restricted licensees. Respondents have demonstrated to my satisfaction that Respondents meet the requirements of law for the issuance to Respondents of unrestricted real estate broker licenses and that it would not be against the public interest to issue said licenses to Respondents. NOW, THEREFORE, IT IS ORDERED that Respondents' petition for reinstatement is granted and that real estate broker licenses be issued to Respondents if Respondents satisfy the following condition within nine months from the date of this 10 Order: 11 Submittal of completed applications and payment of the fees for real estate broker licenses. 12 13 Submittal of evidence of Respondent JON MONROE MILLER having, since the most recent issuance of an original or 14 15 renewal real estate license, taken and successfully completed the 16 continuing education requirements of Article 2.5 of Chapter 3 of 17 the Real Estate Law for renewal of a real estate license. 18 This Order shall be effective immediately. 3-24 19 DATED: 2005. JEFF DAVI 20 Real Estate Commissioner 21 22 23

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Department of Real Estate P. O. Box 187000 Sacramento, CA 95818-7000 MAR 2 1 2002 3 Telephone: (916) 227-0789 DEPARTMENT OF REAL ESTATE 5 6 BEFORE THE DEPARTMENT OF REAL ESTATE 9 STATE OF CALIFORNIA 10 In the Matter of the Accusation of No. H-2664 SD 11 JON MILLER REALTY, INC., 12 and 13 STIPULATION AND AGREEMENT JON: MONROE MILLER, 14 15 Respondents. 16 17 18 It is hereby stipulated by and between Respondent JON MILLER REALTY, INC., (hereinafter "Respondent REALTY") and JON 19 MONROE MILLER 20 (hereinafter "Respondent MILLER") 21 attorney of record, Franklin Geerdes, and the Complainant, 22 acting by and through Michael B. Rich, Counsel 23 Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on September 13, 24 2001, in this matter (hereinafter "the Accusation"): 25 26 All issues which were to be contested and all 27

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STIPULATION OF JON MILLER REALTY, INC. and JON MONROE MILLER

and their

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evidence which to be presented by Complainant was Respondents a formal hearing on the Accusation, at which hearing was to be held in accordance with the provisions of the Administrative Procedure Act (APA), shall instead and in place thereof be submitted solely on the basis of the provisions of this Stipulation and Agreement.

- All Respondents have received, read, and understand the Statement to Respondent, the Discovery Provisions of the APA, and the Accusation filed by the Department of Real Estate in this proceeding.
- 3. September 24, Respondents On 2001, filed Notice of Defense pursuant to Section 11505 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said Notice of Defense. Respondents acknowledge that they understand that by withdrawing said Notice of Defense Respondents will thereby waive their respective right require the Commissioner to prove the allegations in Accusation at a contested hearing held in accordance with the provisions of the APA and that Respondents will waive other rights afforded to Respondents in connection with the hearing such as the right to present evidence in defense of allegations in the Accusation and the right to cross-examine witnesses.
- This Stipulation is based on the factual allegations contained in the Accusation. In the interests of

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expedience and economy, Respondents choose not to contest these allegations, but to remain silent and understand that, result thereof, these factual allegations, without admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to herein. Respondent maintains that the shortage alleged in the Accusation was reduced to approximately \$10,350.00 and that Respondent deposited said sum before the conclusion of the audit in order to cure the alleged shortage. The Real Estate Commissioner shall not be required to provide further evidence to prove said factual allegations.

- It is understood by the parties that the Real Estate Commissioner may adopt the Stipulation and Agreement as her decision in this matter, thereby imposing the penalty and sanctions on Respondent's real estate license and license rights as set forth in the "Order" below. In the event that the Commissioner in her discretion does not adopt Stipulation and Agreement, it shall be void and of no effect, and Respondents shall retain the right to a hearing proceeding on the Accusation under all the provisions of the APA and shall not be bound by any admission or waiver made herein.
- 6. The Order or any subsequent Order of the Real Estate Commissioner made pursuant to this Stipulation and Agreement shall not constitute an estoppel, merger or bar to any further administrative or civil proceedings by the Department of Real Estate with respect to any matters which

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were not specifically alleged to be cause for accusation in this proceeding.

- 7. Respondents understand that by agreeing to this Stipulation and Agreement in Settlement, Respondents, and each of them, jointly and severally, agree to pay, pursuant to Section 10148 of the Business and Professions Code, the cost of the audit which led to this disciplinary action. The amount of said costs is \$6,330.94.
- 8. Respondents have received, read, and understand the "Notice Concerning Costs of Subsequent Audit". Respondents further understand that by agreeing to this Stipulation and Agreement in Settlement, the findings set forth below in the DETERMINATION OF ISSUES become final, and that the Commissioner may charge Respondents, and each of them, jointly and severally, for the costs of any subsequent audit conducted pursuant to Section 10148 of the Business and Professions Code to determine if the violations have been corrected. The maximum costs of said audit will not exceed \$6,330.94.

DETERMINATION OF ISSUES

By reason of the foregoing stipulations, admissions and waivers and solely for the purpose of settlement of the pending Accusation without hearing, it is stipulated and agreed that the following Determination of Issues shall be made:

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STIPULATION OF
JON MILLER REALTY, INC. and
JON MONROE MILLER

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The conduct of Respondent REALTY, as described in the Accusation, constitutes cause for the suspension or revocation of the real estate license and license rights of Respondent under the provisions of: Section 10177(d) of the Business and Professions Code in conjunction with Sections 10145 of the Code, and Sections 2831, 2831.1, 2831.2, and 2832.1 of Title 10, California Code of Regulations; Section 10161 of the Code in conjunction with Section 2752 of the Regulations; and, Sections 10176(e) and (i) of the Code.

ΙΙ

The conduct of Respondent MILLER as described in the Accusation, constitutes cause for the suspension or revocation of the real estate license and license rights of Respondent MILLER under the provisions of: Section 10177(d) of the Business and Professions Code in conjunction with Sections 10145, and Section 2832.1 of Title 10, California Code of Regulations; Sections 10176(e) and (i) of the Code; and, Section 10177(h) of the Code.

ORDER

Ι

The respective real estate broker licenses and all rights of Respondent license JON MILLER REALTY, INC. and MONROE MILLER under Respondent JON Real the Estate are revoked; provided, however, a restricted corporate real license shall broker be issued to Respondent REALTY and a

broker license restricted real estate shall be issued Respondent MILLER pursuant to Section 10156.5 of the Business Code if ' and Professions Respondents respectively make application therefor and pay to the Department of Real Estate the respective appropriate fee for the restricted license within ninety (90) days from the effective date of this Decision. restricted licenses respectively issued to Respondents shall be subject to all of the provisions of Section 10156.7 of the R Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of Section 10 10156.6 of that Code: 11

- 1. The restricted licenses issued respectively to Respondents may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondent REALTY's or Respondent MILLER's respective conviction or plea of nolo contendere to a crime which is substantially related to Respondent's fitness or capacity as a real estate licensee.
- 2. The restricted licenses issued respectively Respondents may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that a Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Regulations οf the Real Estate Commissioner or conditions attaching to the restricted license.
- 3. Respondents, respectively, shall not be eligible to apply for the issuance of an unrestricted real estate license

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STIPULATION OF
JON MILLER REALTY, INC. and
JON MONROE MILLER

nor for the removal of any of the conditions, limitations, or restrictions of a restricted license until two (2) years have elapsed from the effective date of this Decision.

Respondent MILLER shall, within nine (9) months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that Respondent MILLER has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate License. If Respondent MILLER fails to satisfy this condition, Commissioner may order the suspension of the restricted license Respondent MILLER presents such evidence. The Commissioner shall afford Respondent MILLER the opportunity for a hearing pursuant to the Administrative Procedure Act present such evidence.

- 5. Respondent MILLER shall, within six (6) months from the effective date of this Decision, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If Respondent MILLER fails to satisfy this condition, the Commissioner may order suspension of Respondent MILLER's license until Respondent MILLER passes the examination.
- 6. Pursuant to Section 10148 of the Business and Professions Code, Respondents and each of them, jointly and severally, shall pay the Commissioner's reasonable cost for: a)

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the audit which led to this disciplinary action and, b) a subsequent audit to determine if Respondent has corrected the trust fund violations found in paragraphs I and II of the Determination of Issues. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. Respondents shall pay such cost within sixty (60)receiving an invoice from the Commissioner detailing activities performed during the audit and the amount of time spent performing those activities. The Commissioner may suspend the restricted licenses issued to Respondents pending a hearing accordance with Section 11500, et seq., οf the Government Code, if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between the Respondents and the Commissioner. The suspension shall remain in effect until payment is made in full or until Respondents enter into an agreement satisfactory to the Commissioner to provide for payment, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

7. Respondents shall prior to the effective date of the Decision provide evidence satisfactory to the Commissioner that Respondents have cured the trust fund shortages alleged in the Accusation.

8. Any restricted real estate broker license issued to Respondents may be suspended or revoked for a violation,

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respectively, by either Respondent of any of the conditions attaching to the restricted licenses. 3 4 5 MICHAEL B. RICH, Counsel DATED 6 DEPARTMENT OF REAL ESTATE 8 I have read the Stipulation and Agreement and its 9 terms are understood by me and are agreeable and acceptable to 10 I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but 11 12 limited to Sections 11506, 11508, 11509, and 11513 of the 13 Code), I willingly, Government and intelligently, and 14 voluntarily waive those rights, including the right οf 15 requiring the Commissioner to prove the allegations in the 16 Accusation at a hearing at which I would have the right to 17 cross-examine witnesses against me, and to present evidence in 18 defense and mitigation of the charges. 19 20 21 JON MILLER REALTY, INC. 22 Respondent By: JON MONROE MILLER 23 24 25 DATED MONROE MILLER Restondent

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STIPULATION OF JON MILLER REALTY, INC. and JON MONROE MILLER

I have reviewed the Stipulation and Agreement as to
form and content and have advised my client accordingly.
3-1-02 To a Sel Mondo -
DATED Franklin Geerdes
Attorney for Respondents
· * * *
The foregoing Stipulation and Agreement for
Settlement is hereby adopted by the Real Estate Commissioner as
her Decision and Order and shall become effective at 12 o'clock
noon on April 10 , 2002.
IT IS SO ORDERED Much 19, 2002.
PAULA REDDISH ZINNEMANN
Real Estate Commissioner
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STIPULATION OF JON MILLER REALTY, INC. and JON MONROE MILLER

BEFORE THE DEPARTMENT OF REAL ESTATE STATE OF CALIFORNIA



DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

JON MILLER REALTY, INC. and JON MONROE MILLER

Case No. H-2664 SD

OAH No. L-2001110316

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 MARCH 5, 2002 and MARCH 6, 2002, at the hour of 9:00 AM respectively, 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 subpenas 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: NOVEMBER 21, 2001

MICHAEL B. RICH,

Counsel

MICHAEL B. RICH, Counsel State Bar No. 84257 2 Department of Real Estate SEP 1 3 2001 P. O. Box 187000 Sacramento, CA 95818-7000 DEPARTMENT OF REAL ESTATE By Shell Telephone: (916) 227-0789 5 6 7 8 BEFORE THE DEPARTMENT OF REAL ESTATE 9 STATE OF CALIFORNIA 10 11 In the Matter of the Accusation of) NO. H- 2664 SD . 12 JON MILLER REALTY, INC., and JON MONROE MILLER, 13 ACCUSATION Respondents 14 15 The Complainant, J. CHRIS GRAVES, a Deputy Real Estate 16 Commissioner of the State of California, for Causes of Accusation against JON MILLER REALTY, INC., and JON MONROE MILLER, is 17 18 informed and alleges as follows: 19 FIRST CAUSE OF ACCUSATION 20 Ι 21 Respondents JON MILLER REALTY, INC., (hereafter 22 referred to as "Respondent JMR") and JON MONROE MILLER (hereafter

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"Code").

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referred to as "Respondent MILLER") are presently licensed and/or

have license rights under the Real Estate Law, Part 1 of Division

4 of the California Business and Professions Code (hereafter the

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The Complainant, J. CHRIS GRAVES, a Deputy Real Estate Commissioner of the State of California, makes this Accusation against Respondent in his official capacity and not otherwise.

III

At all times herein mentioned, Respondent JMR was and is licensed by the Department as a real estate broker corporation acting by and through Respondent MILLER as its designated broker officer.

IV

At all times herein mentioned, Respondent MILLER was and is licensed by the Department as a real estate broker, and as the designated broker officer of Respondent JMR.

V

Within the last three years, Respondents JMR and MILLER engaged in activities on behalf of others for which a real estate license is required, for or in expectation of compensation, and leased or rented, offered to lease or rent, solicited prospective tenants for, collected rents on, and/or managed certain real properties in California.

VI

Beginning in March of 2001, the Department conducted an audit of the above business activities of Respondent JMR for the time period of January 1, 1998 through March 12, 2001. During the course of the activities described above, Respondent JMR received and disbursed funds in trust on behalf of others.

11.

Within the last three years, Respondent JMR deposited the above trust funds into a checking trust bank account at Bank of America in Chula Vista, California, bearing account number 0232802373, in the name of "Jon Miller Realty, Inc." (hereafter referred to as "Trust Account 1").

VII

VIII

Within the last three years, Respondent JMR deposited the above trust funds into a checking bank account at Bank of America in Chula Vista, California, bearing account number 0232020333, in the name of "Jon Miller Realty, Inc. Security Deposit Trust Account" (hereafter referred to as "Trust Account 2").

IX

In connection with the collection and disbursement of trust funds, Respondents JMR and MILLER failed to deposit and maintain the trust funds in a trust account or neutral escrow depository, or to deliver them into the hands of the owners of the funds, as required by Section 10145 of the Code, in such a manner that as of October 31, 2000, there was a trust fund shortage in the approximate sum of \$25,096.30 in Trust Account 1.

Χ

Respondents failed to obtain the prior written consents of the principals for the reduction of the aggregate balance of trust funds in Trust Account 1 to an amount less than the existing aggregate trust fund liability to the owners of said funds in conformance with Section 2832.1 of the Regulations.

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XΤ

In connection with the receipt and disbursement of trust funds as above alleged, and as set forth in Audit No. SD00-0020, dated April 13, 2001, and accompanying working papers and exhibits, Respondent JMR:

- (a) Failed to maintain a written control record of all trust funds received and disbursed containing all information required by Section 2831 of the Regulations, including but not limited to recordation of all deposits, recordation of dates of receipt, and recordation of accurate dates of deposit of trust funds for both Trust Account 1 and Trust Account 2;
- (b) Failed to keep a separate record for each beneficiary or transaction, accounting for all funds that have been deposited to the broker's trust account, containing all of the information required by Section 2831.1 of the Regulations, including, but not limited to an accurate daily balance after posting transactions for Trust Account 2; and,
- (c) Failed to reconcile the balance of separate beneficiary or transaction records with the control records of trust funds received and disbursed at least once a month, and/or failed to maintain a record of such reconciliations

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as required by Section 2831.2 of the Regulations for both Trust Account and Trust Account 2.

XII

Respondents JMR and MILLER commingled trust funds with Respondent Miller's own money or property and converted said trust funds to Respondents' own use or benefit or to purposes not authorized by the rightful owner or owners of said funds.

XIII

The acts and/or omissions of Respondents as alleged above constitute grounds for disciplinary action under the following provisions:

- (a) As to Respondents JMR and Miller as alleged in Paragraph IX, under Section 10145 of the Code in conjunction with Section 10177(d) of the Code;
- (b) As to Respondents JMR and Miller as alleged in Paragraph X, under Section 2832.1 of the Regulations in conjunction with Section 10177(d) of the Code.
- (c) As to Respondent JMR as alleged in Paragraph XI(a), under Section 10145 of the Code and Section 2831 of the Regulations in conjunction with Section 10177(d) of the Code;
- (d) As to Respondent JMR as alleged in Paragraph XI(b), under Section 2831.1 of the Regulations in conjunction with Section 10177(d) of the Code; and,

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(e)	As to Respondent JMR as alleged in Paragraph
	XI(c), under Section 2831.2 of the Regulations in
	conjunction with Section 10177(d) of the Code.

(f) As to Respondents JMR and MLLER as alleged in Paragraph XII, under Sections 10176(e) and 10176(I) of the Code.

SECOND CAUSE OF ACCUSATION

XIV

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

VX

Respondent JMR employed Jeffrey Scott Bell (hereafter "Bell"), a licensed real estate salesperson, pursuant to a written agreement dated September 9, 1996.

IVX

Respondent JMR employed Bruce G. Butler (hereafter "Butler"), a licensed real estate salesperson, pursuant to a written agreement dated May 6, 1999.

XVII

Respondent JMR did not notify the Commissioner of the Department of Real Estate until March 22, 2001, of its employment of Bell and Butler.

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XVIII

The failure of Respondent JMR to notify the Commissioner of the Department of Real Estate in writing on the prescribed form within five days of its employment of Bell and Butler as alleged above constitute grounds for disciplinary action under Section 2752 of the Regulations in conjunction with Business and Professions Code Section 10161.

THIRD CAUSE OF ACTION

XIX

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

XX

At all times above mentioned, Respondent MILLER was responsible, as the designated officer of Respondent JMR, for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees. Respondent MILLER failed to exercise reasonable supervision and control over the property management and employment activities of Respondent JMR. In particular, Respondent MILLER permitted, ratified and/or caused the conduct described in the First and Second Causes of Accusation above to occur, and failed to take reasonable steps, including but not limited to the handling of trust funds, employment of salesperson licensees, and the implementation of

of the company with the Real Estate Law. IXX The above acts and/or omissions of Respondent MILLER constitute grounds for disciplinary action under the provisions of 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 license(s) and license rights of Respondent under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other provisions of law. puty Real Estate Commissioner Dated at San Diego

policies, rules, procedures, and systems to ensure the compliance