

1 DEPARTMENT OF REAL ESTATE  
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**FILED**

AUG 15 2019

DEPARTMENT OF REAL ESTATE

By *R. K. Uno*

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of ) BRE No. H-3193 FR  
12 )  
13 MAD, INC. and, )  
14 MICHAEL VICTOR SALVADORI ) STIPULATION AND AGREEMENT  
15 Respondents. ) IN SETTLEMENT AND ORDER

16 It is hereby stipulated by and between MAD, INC. (MAD), and MICHAEL  
17 VICTOR SALVADORI (SALVADORI), collectively Respondents, their counsel Edward Lear,  
18 and the Complainant, acting by and through Richard K. Uno, Counsel for the Department of  
19 Real Estate (Department); as follows for the purpose of settling and disposing of the Accusation  
20 filed on July 23, 2018, in this matter:

21 1. All issues which were to be contested and all evidence which was to be  
22 presented by Complainant and Respondents at a formal hearing on the Accusation, which hearing  
23 was to be held in accordance with the provisions of the Administrative Procedure Act (APA),  
24 shall instead and in place thereof be submitted solely on the basis of the provisions of this  
25 Stipulation and Agreement In Settlement and Order (Stipulation).

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

1                   3.       Respondents filed a Notice of Defense pursuant to Section 11505 of the  
2 Government Code for the purpose of requesting a hearing on the allegations in the Accusation.  
3 Respondents hereby freely and voluntarily withdraw said Notice of Defense. Respondents  
4 acknowledge that they understand that by withdrawing said Notice of Defense they will thereby  
5 waive their right to require the Real Estate Commissioner (Commissioner) to prove the  
6 allegations in the Accusation at a contested hearing held in accordance with the provisions of the  
7 APA and that he will waive other rights afforded to them in connection with the hearing such as  
8 the right to present evidence in defense of the allegations in the Accusation and the right to cross-  
9 examine witnesses.

10                   4.       This Stipulation is based on the factual allegations contained in the  
11 Accusation. In the interest of expediency and economy, Respondents chose not to contest these  
12 factual allegations, but to remain silent and understand that, as a result thereof, these factual  
13 statements will serve as a prima facie basis for the "Determination of Issues" and "Order" set  
14 forth below. The Commissioner shall not be required to provide further evidence to prove such  
15 allegations.

16                   5.       It is understood by the parties that the Commissioner may adopt the  
17 Stipulation as his Decision and Order in this matter, thereby imposing the penalty and sanctions  
18 on Respondents' real estate licenses and license rights as set forth in the below "Order". In the  
19 event that the Commissioner in his discretion does not adopt the Stipulation, it shall be void and  
20 of no effect, and Respondents shall retain the rights to a hearing and proceeding on the  
21 Accusation under all the provisions of the APA and shall not be bound by any admission or  
22 waiver made herein.

23                   6.       The Order or any subsequent Order of the Commissioner made pursuant to  
24 this Stipulation shall not constitute an estoppel, merger, or bar to any further administrative or  
25 civil proceedings by the Department with respect to any matters which were not specifically  
26 alleged to be causes for accusation in this proceeding.

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1           7. Respondents understand that by agreeing to this Stipulation, Respondents  
2 agree to pay, pursuant to Section 10148 of the Code, the cost of the initial audit which resulted in  
3 the violation(s) found in the Determination of Issues. The amount of such costs is \$551.65.

4           8. Respondents further understand that by agreeing to this Stipulation, the  
5 findings set forth below in the "Determination of Issues" become final, and that the  
6 Commissioner may charge said Respondents for the costs of any audit conducted pursuant to  
7 Section 10148 of the Code to determine if the violations have been corrected. The maximum  
8 cost of said audit shall not exceed \$8,152.37.

9   DETERMINATION OF ISSUES

10           By reason of the foregoing stipulations, admissions and waivers, and solely for  
11 the purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed  
12 that the acts and/or omissions of Respondents, as described in the Accusation, constitute grounds  
13 for the suspension or revocation of the licenses and license rights of Respondents under the  
14 provisions of Sections 2731 and 2831.1 of the Regulations and Sections 10145, 10159.2,  
15 10177(d) and 10177(g) of the Code.

16   ORDER

17   MAD, INC.

18           All licenses and licensing rights of MAD, under the Real Estate Law are revoked;  
19 provided, however, a restricted corporate real estate broker license shall be issued to MAD,  
20 pursuant to Section 10156.5 of the Code, if MAD makes application therefore and pays to the  
21 Department of Real Estate the appropriate fee for the restricted license within 90 days from the  
22 effective date of this Stipulation. The restricted license issued to MAD shall be subject to all of  
23 the provisions of Section 10156.7 of the Code and to the following limitations, conditions, and  
24 restrictions imposed under authority of Section 10156.6 of the Code:

25           1. The restricted license issued to MAD may be suspended prior to hearing  
26 by Order of the Commissioner on evidence satisfactory to the Commissioner that MAD has  
27

1 violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of  
2 the Commissioner or conditions attaching to the restricted license.

3 2. MAD shall not be eligible to apply for the issuance of any unrestricted  
4 real estate license nor the removal of any of the conditions, limitations, or restrictions of a  
5 restricted until two (2) years have elapsed from the effective date of this Stipulation. MAD shall  
6 not be eligible to apply for any unrestricted licenses until all restrictions attaching to the license  
7 have been removed.

8 MICHAEL VICTOR SALVADORI

9 All licenses and licensing rights of SALVADORI, under the Real Estate Law are  
10 revoked; provided, however, a restricted real estate salesperson license shall be issued to  
11 SALVADORI, pursuant to Section 10156.5 of the Code, if SALVADORI makes application  
12 therefore and pays to the Department of Real Estate the appropriate fee for the restricted license  
13 within 90 days from the effective date of this Stipulation. The restricted license issued to  
14 SALVADORI shall be subject to all of the provisions of Section 10156.7 of the Code and to the  
15 following limitations, conditions, and restrictions imposed under authority of Section 10156.6 of  
16 the Code:

17 1. The restricted license issued to SALVADORI may be suspended prior to  
18 hearing by Order of the Commissioner in the event of SALVADORI's conviction or plea of nolo  
19 contendere to a crime which is substantially related to SALVADORI's fitness or capacity as a  
20 real estate licensee.

21 2. The restricted license issued to SALVADORI may be suspended prior to  
22 hearing by Order of the Commissioner on evidence satisfactory to the Commissioner that  
23 SALVADORI has violated provisions of the California Real Estate Law, the Subdivided Lands  
24 Law, Regulations of the Commissioner or conditions attaching to the restricted license.

25 3. SALVADORI shall not be eligible to apply for the issuance of any  
26 unrestricted real estate license nor the removal of any of the conditions, limitations, or  
27 restrictions of a restricted until two (2) years have elapsed from the effective date of this

1 Stipulation. SALVADORI shall not be eligible to apply for any unrestricted licenses until all  
2 restrictions attaching to the license have been removed.

3 4. SALVADORI shall submit with any application for license under an  
4 employing broker, or any application for transfer to a new employing broker, a statement signed  
5 by the prospective employing real estate broker on a form approved by the Department which  
6 shall certify:

7 (1) That the employing broker has read the Decision which is the basis  
8 for the issuance of a restricted license; and

9 (2) That the employing broker will carefully review all transaction  
10 documents prepared by the restricted licensee and otherwise exercise close supervision over the  
11 licensee's performance of acts for which a license is required.

12 MAD, INC. and MICHAEL VICTOR SALVADORI

13 1. Pursuant to Section 10148 of the Code, Respondents shall, jointly and  
14 severally, pay the sum of \$551.65 for the Commissioner's cost of the initial audit which led to  
15 this disciplinary action. Respondents shall pay such cost within sixty (60) days of receiving an  
16 invoice therefore from the Commissioner. Payment of audit costs should not be made until  
17 Respondents receive the invoice. If Respondents fail to satisfy this condition in a timely manner  
18 as provided for herein, Respondents' real estate licenses shall automatically be suspended until  
19 payment is made in full, or until a decision providing otherwise is adopted following a hearing  
20 held pursuant to this condition.

21 2. Pursuant to Section 10148 of the Code, Respondents shall, jointly and  
22 severally, pay the Commissioner's reasonable cost, not to exceed \$8,152.37, for an audit to  
23 determine if Respondents have corrected the violation(s) found in the "Determination of Issues".  
24 In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the  
25 estimated average hourly salary for all persons performing audits of real estate brokers, and shall  
26 include an allocation for travel time to and from the auditor's place of work. Respondents shall  
27 pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner.

1 Payment of the audit costs should not be made until Respondents receive the invoice. If  
2 Respondents fails to satisfy this condition in a timely manner as provided for herein,  
3 Respondents' real estate licenses shall automatically be suspended until payment is made in full,  
4 or until a decision providing otherwise is adopted following a hearing held pursuant to this  
5 condition.

6  
7 7/10/19  
8 DATED

*Richard K. Uno*  
RICHARD K. UNO, Counsel III  
DEPARTMENT OF REAL ESTATE

10 \* \* \*

11 I have read the Stipulation and Agreement in Settlement and Order and its terms  
12 are understood by me and are agreeable and acceptable to me. I understand that I am waiving  
13 rights given to me by the California Administrative Procedure Act (including but not limited  
14 to Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly,  
15 intelligently, and voluntarily waive those rights, including the right of requiring the  
16 Commissioner to prove the allegations in the Accusation at a hearing at which I would have the  
17 right to cross-examine witnesses against me and to present evidence in defense and mitigation  
18 of the charges.

19  
20 5-16-19  
21 DATED

*Michael Victor Salvatori*  
MAD, INC.  
BY: MICHAEL VICTOR SALVADORI

23 \* \* \*

24  
25 5-16-19  
26 DATED

*Michael Victor Salvatori*  
MICHAEL VICTOR SALVADORI

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*I have reviewed this Stipulation and Agreement as to form and content and have advised my clients accordingly.*

5/20/19  
DATED

Edward Lear  
EDWARD LEAR  
Attorney for Respondents

The foregoing Stipulation and Agreement In Settlement and Order is hereby adopted by the Real Estate Commissioner as his Decision and Order and shall become effective at 12 o'clock noon on SEP 05 2019.

IT IS SO ORDERED August 8, 2019.

DANIEL J. SANDRI  
ACTING REAL ESTATE COMMISSIONER

Daniel J. Sandri