

1 3. On or about October 2, 2020, a Notice of Defense was received from all
2 POLETTI pursuant to Section 11505 of the Government Code for the purpose of requesting a
3 hearing on the allegations made in the Accusation. POLETTI hereby freely and voluntarily
4 withdraws said Notices of Defense. POLETTI acknowledges that he understands that by
5 withdrawing said Notices of Defense he will thereby waive his rights to require the
6 Commissioner to prove the allegations in the Accusation at a contested hearing held in
7 accordance with the provisions of the APA and that they will waive other rights afforded to
8 them in connection with the hearing such as the right to present evidence in defense of the
9 allegations in the Accusation and the right to cross-examine witnesses.

10 4. POLETTI, pursuant to the limitations set forth below, hereby admits that the
11 factual allegations or findings of fact as set forth in the Accusation filed in this proceeding are
12 true and correct and the Real Estate Commissioner shall not be required to provide further
13 evidence of such allegations.

14 5. This Stipulation and Agreement is made for the purpose of reaching an
15 agreed disposition of this proceeding and is expressly limited to this proceeding and any other
16 proceeding or case in which the Department, the state or federal government, any agency of
17 this state, or an agency of another state is involved.

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

25 7. The Order or any subsequent Order of the Real Estate Commissioner made
26 pursuant to this Stipulation and Agreement shall not constitute an estoppel, merger or bar to
27 any further administrative or civil proceedings by the Department of Real Estate with respect

1 to any matters which were not specifically alleged to be causes for accusation in this
2 proceeding.

3 DETERMINATION OF ISSUES

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

7 1. The acts and/or omissions of POLETTI, as described in the Accusation, are
8 grounds for the suspension or revocation of the licenses and license rights of POLETTI under the
9 provisions of Sections 10130, 10131, 10145, 10176(e), 10177(d) and 10177(g) of the Code, and
10 Sections 2831, 2831.1, 2831.2, 2832, 2832.1, 2834, and 2835 of Title 10, California Code of
11 Regulations ("Regulations").

12 ORDER.

13 All licenses and licensing rights of POLETTI under the Real Estate Law are
14 revoked; provided, however, a restricted real estate broker license shall be issued to POLETTI
15 pursuant to Section 10156.5 of the Code if POLETTI makes application therefore for the
16 restricted license within ninety (90) days from the effective date of this Decision and Order. The
17 restricted license issued to POLETTI shall be subject to all of the provisions of Section 10156.7
18 of the Code and to the following limitations, conditions and restrictions imposed under authority
19 of Section 10156.6 of that Code:

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

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

1 3. POLETTI shall not be eligible to petition for the issuance of any unrestricted
2 real estate license nor for removal of any of the conditions, limitations or restrictions of a
3 restricted license until three (3) years have elapsed from the effective date of this Decision and
4 Order. POLETTI shall not be eligible to apply for any unrestricted license until all restrictions
5 attaching to the license have been removed.

6 4. All licenses and licensing rights of POLETTI are indefinitely suspended
7 unless or until POLETTI provides proof satisfactory to the Commissioner, of having taken and
8 successfully completed the continuing education course on trust fund accounting and handling
9 specified in paragraph (3) of subdivision (a) of Section 10170.5 of the Code. Proof of satisfaction
10 of these requirements includes evidence that POLETTI has successfully completed the trust fund
11 accounting and handling continuing education course, no earlier than one hundred twenty (120)
12 days prior to the effective date of the Order in this matter. Proof of completion of the trust fund
13 accounting and handling course must be delivered to the Department of Real Estate, Flag Section
14 at P.O. Box 137013, Sacramento, CA 95813-7013 or by fax at 916-576-8652, prior to the
15 effective date of this Order.

16 5. POLETTI shall, within six (6) months from the effective date of this Order,
17 take and pass the Professional Responsibility Examination administered by the Department,
18 including the payment of the appropriate examination fee. If POLETTI fails to satisfy this
19 condition, POLETTI's real estate license shall automatically be suspended until POLETTI passes
20 the examination.

21 6. POLETTI shall notify the Commissioner in writing within 72 hours of any
22 arrest by sending a certified letter to the Commissioner at the Department of Real Estate, Post
23 Office Box 137000, Sacramento, CA 95813-7000. The letter shall set forth the date of
24 POLETTI's arrest, the crime for which POLETTI was arrested and the name and address of the
25 arresting law enforcement agency. POLETTI's failure to timely file written notice shall
26 constitute an independent violation of the terms of the restricted license and shall be grounds for
27 the suspension or revocation of that license.

1 7. All licenses and licensing rights of POLETTI are indefinitely suspended
2 unless or until POLETTI, jointly and severally with COAST and CAPUTO, pays the sum of
3 \$8,932.50 for the Commissioner's reasonable costs of the investigation and enforcement which
4 led to this disciplinary action. Said payment shall be in the form of a cashier's check or certified
5 check made payable to the Department. The investigative and enforcement costs must be
6 delivered to the Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA
7 95813-7013, prior to the effective date of this Order.

8 8. POLETTI shall, jointly and severally with COAST and CAPUTO, pay
9 the sum of \$12,219.73 for the Commissioner's cost of the audit which led to this disciplinary
10 action. POLETTI shall pay such cost within sixty (60) days of receiving an invoice therefore
11 from the Commissioner. The Commissioner shall indefinitely suspend all licenses and
12 licensing rights of POLETTI pending a hearing held in accordance with Section 11500, et seq.,
13 of the Government Code, if payment is not timely made as provided for herein, or as provided
14 for in a subsequent agreement between POLETTI and the Commissioner. The suspension shall
15 remain in effect until payment is made in full or until POLETTI enter into an agreement
16 satisfactory to the Commissioner to provide for payment, or until a decision providing
17 otherwise is adopted following a hearing held pursuant to this condition.

18
19
20 9/9/22

21 _____
22 DATED



21 _____
22 ADRIANA Z. BADILAS, Counsel
23 Department of Real Estate

23 * * *

24 I have read the Stipulation and Agreement and its terms are understood by me
25 and are agreeable and acceptable to me. I understand that I am waiving rights given to me by
26 the California Administrative Procedure Act (including but not limited to Sections 11506,
27 11508, 11509 and 11513 of the Government Code), and I willingly, intelligently, and

1 voluntarily waive those rights, including the right of requiring the Commissioner to prove the
2 allegations in the Second Amended Accusation at a hearing at which I would have the right to
3 cross-examine witnesses against me and to present evidence in defense and mitigation of the
4 charges.

5 Respondent further agree to send the original signed Stipulation and Agreement
6 by mail to the following address no later than one (1) week from the date the Stipulation and
7 Agreement is signed by Respondents and Respondents' attorney:

8 *Department of Real Estate, Legal Section, P.O. Box 137007, Sacramento, California 95813-*
9 *7007.*

10 Respondents understand and agree that if they fail to return the original signed
11 Stipulation and Agreement by the due date, Complainant retains the right to set this matter for
12 hearing.

13
14 7/25/2022



15 _____
16 DATED

15 _____
16 STEPHEN JOHN POLETTI
17 Respondent

17 * * *

18 The foregoing Stipulation and Agreement is hereby adopted as my Decision in
19 this matter and shall become effective at 12 o'clock noon on APR 17 2023.

20 IT IS SO ORDERED 10.18.22, 2022.

21 REAL ESTATE COMMISSIONER

22
23 *Douglas R. McCauley*
24 DOUGLAS R. McCAULEY
25
26
27

FILED

MAR 27 2023

DEPARTMENT OF REAL ESTATE
By *By deed*

1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 137007
3 Sacramento, CA 95813-7007

4 Telephone: (916) 576-8700

5
6
7 **BEFORE THE DEPARTMENT OF REAL ESTATE**
8 **STATE OF CALIFORNIA**

9 * * *

10 In the Matter of the Accusation of:)	Case No. H-3330 FR
)	
11 <u>COAST ESTATE REAL ESTATE</u>)	<u>STIPULATION AND AGREEMENT</u>
12 <u>PROPERTY MANAGEMENT, INC.,</u>)	<u>IN SETTLEMENT AND ORDER</u>
13 STEPHEN JOHN POLETTI, and)	
14 <u>MARY JANE CAPUTO,</u>)	
)	
15 Respondents.)	
)	

16 It is hereby stipulated by and between Respondents COAST ESTATE REAL
17 ESTATE PROPERTY MANAGEMENT, INC. ("COAST") and MARY JANE CAPUTO
18 ("CAPUTO"), (collectively "Respondents"), acting by and through attorney Paul Chan, of
19 Kravitz Chan, LLP, Counsel for Respondents, and the Complainant, acting by and through
20 Adriana Z. Badilas, Counsel for the Department of Real Estate ("Department"), as follows for
21 the purpose of settling and disposing of the Accusation filed on September 14, 2020, in this
22 matter:

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

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

4 3. On or about October 1, 2020, a Notice of Defense was received from all
5 Respondents pursuant to Section 11505 of the Government Code for the purpose of requesting
6 a hearing on the allegations made in the Accusation. Respondents hereby freely and voluntarily
7 withdraw said Notices of Defense. Respondents acknowledge that they understand that by
8 withdrawing said Notices of Defense they will thereby waive their rights to require the
9 Commissioner to prove the allegations in the Accusation at a contested hearing held in
10 accordance with the provisions of the APA and that they will waive other rights afforded to
11 them in connection with the hearing such as the right to present evidence in defense of the
12 allegations in the Accusation and the right to cross-examine witnesses.

13 4. Respondents, pursuant to the limitations set forth below, hereby admit that
14 the factual allegations or findings of fact as set forth in the Accusation filed in this proceeding
15 are true and correct and the Real Estate Commissioner shall not be required to provide further
16 evidence of such allegations.

17 5. This Stipulation and Agreement is made for the purpose of reaching an
18 agreed disposition of this proceeding and is expressly limited to this proceeding and any other
19 proceeding or case in which the Department, the state or federal government, any agency of
20 this state, or an agency of another state is involved.

21 6. It is understood by the parties that the Real Estate Commissioner may adopt
22 the Stipulation and Agreement as his Decision in this matter, thereby imposing the penalties
23 and sanctions on Respondents' real estate licenses and license rights as set forth in the below
24 "Order." In the event that the Commissioner in his discretion does not adopt the Stipulation
25 and Agreement, it shall be void and of no effect, and Respondents shall retain the right to a
26 hearing and proceeding on the Accusation under all the provisions of the APA and shall not be
27 bound by any admission or waiver made herein.

1 and all rights and endorsements associated with that license, Respondent agrees to the following
2 provisions:

3 DECLARATION OF COAST ESTATE REAL ESTATE
4 PROPERTY MANAGEMENT, INC.

5 1. MARY JANE CAPUTO is the Chief Executive Officer and Director for
6 COAST and is authorized to sign this Declaration on behalf of COAST.

7 2. COAST is currently licensed as a corporate real estate broker, License No.
8 02085209.

9 3. The filing of this Declaration shall be deemed as COAST's petition for the
10 voluntary surrender of its corporate real estate broker license and all license rights and
11 endorsements attached thereto.

12 4. The filing of this Declaration shall be deemed to be an understanding and
13 agreement by COAST that it waives all rights it has to require the Commissioner to prove the
14 allegations contained in the Accusation filed on September 14, 2020, in Department Case No.
15 H-3330 FR, at a hearing held in accordance with the provisions of the Administrative Procedures
16 Act (Government Code Sections 11400 *et seq.*)

17 5. COAST agrees to waive other rights afforded to COAST in connection with
18 the hearing on Department Case No. H-3330 FR, such as the right to discovery, the right to
19 present evidence in defense of the allegations made by the Department in the Accusation, and the
20 right to cross-examine witnesses.

21 6. COAST agrees that, upon acceptance by the Commissioner, as evidenced by
22 the appropriate Order, all affidavits and all relevant evidence obtained by the Department in this
23 matter, and all allegations contained in the Accusation filed in Department Case No. H-3330 FR
24 may be considered by the Department to be true and correct for the purpose of deciding whether
25 or not to grant re-licensure to COAST pursuant to Section 11522 of the Government Code.

26 7. COAST agrees that prior to, and only as a condition of a petition for
27 reinstatement made pursuant to Government Code section 11522 being granted, will be jointly
and severally liable with CAPUTO and POLETTI to pay the Commissioner's reasonable cost of

1 the investigation and enforcement that led to the disciplinary action in Department Case No.
2 H-3330 FR.

3 8. COAST agrees that prior to, and only as a condition of a petition for
4 reinstatement made pursuant to Government Code section 11522 being granted, will be jointly
5 and severally liable with CAPUTO and POLETTI to pay the Commissioner's reasonable cost of
6 the audit that led to the disciplinary action in Department Case No. H-3330 FR.

7 9. COAST declares under penalty of perjury, under the laws of the State of
8 California, that the above is true and correct and that COAST freely and voluntarily surrenders
9 its corporate real estate broker license and all license rights and endorsements attached thereto.

10 II. As to CAPUTO

11 All licenses and licensing rights of CAPUTO under the Real Estate Law are
12 revoked; provided, however, a restricted real estate broker license shall be issued to CAPUTO
13 pursuant to Section 10156.5 of the Code if CAPUTO makes application therefore for the
14 restricted license within ninety (90) days from the effective date of this Decision and Order. The
15 restricted license issued to CAPUTO shall be subject to all of the provisions of Section 10156.7
16 of the Code and to the following limitations, conditions and restrictions imposed under authority
17 of Section 10156.6 of that Code:

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

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

26 3. CAPUTO shall not be eligible to petition for the issuance of any unrestricted
27 real estate license nor for removal of any of the conditions, limitations or restrictions of a

1 restricted license until three (3) years have elapsed from the effective date of this Decision and
2 Order. CAPUTO shall not be eligible to apply for any unrestricted license until all restrictions
3 attaching to the license have been removed.

4 4. All licenses and licensing rights of CAPUTO are indefinitely suspended
5 unless or until CAPUTO provides proof satisfactory to the Commissioner, of having taken and
6 successfully completed the continuing education course on trust fund accounting and handling
7 specified in paragraph (3) of subdivision (a) of Section 10170.5 of the Code. Proof of satisfaction
8 of these requirements includes evidence that CAPUTO has successfully completed the trust fund
9 accounting and handling continuing education course, no earlier than one hundred twenty (120)
10 days prior to the effective date of the Order in this matter. Proof of completion of the trust fund
11 accounting and handling course must be delivered to the Department of Real Estate, Flag Section
12 at P.O. Box 137013, Sacramento, CA 95813-7013 or by fax at 916-576-8652, prior to the
13 effective date of this Order.

14 5. CAPUTO shall, within six (6) months from the effective date of this Order,
15 take and pass the Professional Responsibility Examination administered by the Department,
16 including the payment of the appropriate examination fee. If CAPUTO fails to satisfy this
17 condition, CAPUTO's real estate license shall automatically be suspended until CAPUTO passes
18 the examination.

19 6. CAPUTO shall notify the Commissioner in writing within 72 hours of any
20 arrest by sending a certified letter to the Commissioner at the Department of Real Estate, Post
21 Office Box 137000, Sacramento, CA 95813-7000. The letter shall set forth the date of
22 CAPUTO's arrest, the crime for which CAPUTO was arrested and the name and address of the
23 arresting law enforcement agency. CAPUTO's failure to timely file written notice shall
24 constitute an independent violation of the terms of the restricted license and shall be grounds for
25 the suspension or revocation of that license.

26 7. All licenses and licensing rights of CAPUTO are indefinitely suspended
27 unless or until CAPUTO, jointly and severally with COAST and POLETTI, pays the sum of

1 \$8,932.50 for the Commissioner's reasonable costs of the investigation and enforcement which
2 led to this disciplinary action. Said payment shall be in the form of a cashier's check or certified
3 check made payable to the Department. The investigative and enforcement costs must be
4 delivered to the Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA
5 95813-7013, prior to the effective date of this Order.

6 8. CAPUTO shall, jointly and severally with COAST and POLETTI, pay
7 the sum of \$12,219.73 for the Commissioner's cost of the audit which led to this disciplinary
8 action. CAPUTO shall pay such cost within sixty (60) days of receiving an invoice therefore
9 from the Commissioner. The Commissioner shall indefinitely suspend all licenses and
10 licensing rights of CAPUTO pending a hearing held in accordance with Section 11500, et seq.,
11 of the Government Code, if payment is not timely made as provided for herein, or as provided
12 for in a subsequent agreement between CAPUTO and the Commissioner. The suspension shall
13 remain in effect until payment is made in full or until CAPUTO enter into an agreement
14 satisfactory to the Commissioner to provide for payment, or until a decision providing
15 otherwise is adopted following a hearing held pursuant to this condition.

16 9. Should the need arise, CAPUTO agrees to remain available to testify at
17 hearing in the subject case, which is set to be heard before the Office of Administrative
18 Hearings on July 26-27, 2022, or any subsequent hearing in Department Case No. H-3330 FR
19 should the current hearing date be continued.

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23 DATED

9-9-22


ADRIANA Z. BADILAS, Counsel
Department of Real Estate

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* * *

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

Respondents and Respondents' attorney further agree to send the original signed Stipulation and Agreement by mail to the following address no later than one (1) week from the date the Stipulation and Agreement is signed by Respondents and Respondents' attorney:

Department of Real Estate, Legal Section, P.O. Box 137007, Sacramento, California 95813-7007.

Respondents and Respondents' attorney understand and agree that if they fail to return the original signed Stipulation and Agreement by the due date, Complainant retains the right to set this matter for hearing.

Aug 25, 2022
DATED

Mary Jane Caputo
MARY JANE CAPUTO
Chief Executive Officer for Respondent
COAST

Aug 25, 2022
DATED

Mary Jane Caputo
MARY JANE CAPUTO
Respondent

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I have reviewed the Stipulation and Agreement as to form and content and have advised my client accordingly.

7-25-22

DATED

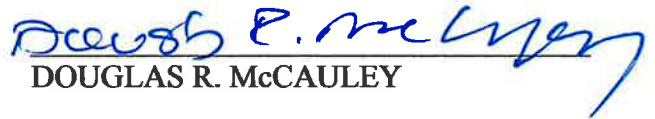


PAUL CHAN
Attorney for COAST and CAPUTO

The foregoing Stipulation and Agreement is hereby adopted as my Decision in this matter and shall become effective at 12 o'clock noon on APR 17 2023.

IT IS SO ORDERED 10.18.22, 2022.

REAL ESTATE COMMISSIONER


DOUGLAS R. McCAULEY

