

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

4 Telephone: (916) 576-8700

**FILED**

DEC 17 2021

DEPARTMENT OF REAL ESTATE  
By B. Nicholas

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of: ) Case No. H-3363 FR  
12 )  
13 RED DOOR REALTY AND ) STIPULATION AND AGREEMENT  
14 MANAGEMENT, INC., ) IN SETTLEMENT AND ORDER  
15 JOHN FREDERICK DEBETZ II, and )  
16 SUSAN LYNN PAZDAN, )  
17 Respondents. )

17 It is hereby stipulated by and between Respondents RED DOOR REALTY AND  
18 MANAGEMENT, INC. ("RED DOOR"), and JOHN FREDERICK DEBETZ, II ("DEBETZ"),  
19 both of which are acting in pro per, and the Complainant, acting by and through Jason D.  
20 Lazark, Counsel for the Department of Real Estate ("Department"), as follows for the purpose  
21 of settling and disposing of the Accusation filed on June 3, 2021, in this matter:

22 1. All issues which were to be contested and all evidence which was to be  
23 presented by Complainant and Respondents RED DOOR and DEBETZ (collectively referred  
24 to herein as "Respondents") at a formal hearing on the Accusation, which hearing was to be  
25 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 Statements to  
2 Respondent, the Discovery Provisions of the APA, and the Accusation filed by the Department  
3 in this proceeding.

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

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

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

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

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

7 8. Respondents understand that by agreeing to this Stipulation and Agreement,  
8 Respondents agree to be responsible for jointly and severally paying, pursuant to Section 10106  
9 of the Business and Professions Code ("the Code"), a portion of the costs of the investigation  
10 and enforcement of this case which resulted in the determination that Respondents committed  
11 the violation(s) found in the Determination of Issues. The amount of such costs is \$3,628.13.

12 DECLARATION OF RED DOOR

13 In lieu of proceeding in this matter in accordance with the provisions of the APA,  
14 RED DOOR wishes to voluntarily surrender its real estate license(s) issued by the Department,  
15 pursuant to Code Section 10100.2.

16 RED DOOR, understands that by voluntarily surrendering RED DOOR's  
17 license(s), RED DOOR may be re-licensed as a corporate real estate broker only by petitioning  
18 for reinstatement pursuant to section 11522 of the Government Code. RED DOOR also  
19 understands that by voluntarily surrendering his license(s), RED DOOR agrees to the following:

20 1. The filing of this Declaration shall be deemed as RED DOOR's petition  
21 for voluntary surrender.

22 2. It shall also be deemed to be an understanding and agreement by RED  
23 DOOR that RED DOOR waives all rights RED DOOR has to require the Commissioner to prove  
24 the allegations contained in the Accusation filed in this matter at a hearing held in accordance  
25 with the provisions of the APA, and that RED DOOR also waives other rights afforded to it in  
26 connection with the hearing such as the right to discovery, the right to present evidence in  
27 defense of the allegations in the Accusation and the right to cross-examine witnesses.

1           3.     RED DOOR further agrees that upon acceptance by the Commissioner, as  
2     evidenced by an appropriate order, all affidavits and all relevant evidence obtained by the  
3     Department in this matter prior to the Commissioner's acceptance, and all allegations contained  
4     in the Accusation filed in the Department Case No. H-3363 FR, may be considered by the  
5     Department to be true and correct for the purpose of deciding whether to grant re-licensure or  
6     reinstatement pursuant to Government Code section 11522.

7           4.     RED DOOR freely and voluntarily surrenders all of RED DOOR's  
8     licenses and license rights under the Real Estate Law.

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 following determination of issues shall be made:

13                                    I.

14           The acts and omissions of RED DOOR, as described in the Accusation, are  
15     grounds for the suspension or revocation of the licenses and license rights of RED DOOR under  
16     the provisions of Sections 10148, 10159.2, 10176(i), 10177(d), 10177(f), 10177(g), 10177(h),  
17     and 10177(j), of the Code, and Sections 2725, and 2742(c) of Title 10, California Code of  
18     Regulation ("the Regulations").

19                                    II.

20           The acts and omissions of DEBETZ, as described in the Accusation, are grounds  
21     for the suspension or revocation of the licenses and license rights of DEBETZ under the  
22     provisions of Sections 10148, 10159.2, 10176(i), 10177(d), 10177(h), 10177(g) and 10177(j) of  
23     the Code, and Section 2725 of the Regulations.

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1 ORDER

2 I. AS TO RED DOOR

3 RED DOOR's petition for voluntary surrender of RED DOOR'S corporate real  
4 estate broker license is accepted as of the effective date of this Order as set forth below, based  
5 upon the understanding and agreement expressed in RED DOOR's Declaration incorporated  
6 herein as part of this Stipulation and Agreement. RED DOOR's license certificates, pocket cards  
7 and any branch office license certificates shall be sent to the below listed address so that they  
8 reach the Department on or before the effective date of this Order:

9 DEPARTMENT OF REAL ESTATE  
10 Attn: Licensing Flag Section  
11 P. O. Box 137013  
12 Sacramento, CA 95815-7013

13 II. AS TO DEBETZ

14 All licenses and licensing rights of DEBETZ under the Real Estate Law are  
15 revoked; provided, however, a restricted real estate broker license shall be issued to DEBETZ  
16 pursuant to Section 10156.5 of the Code if DEBETZ makes application therefore and pays to the  
17 Department the appropriate fee for the restricted license within 90 days from the effective date of  
18 this Decision.

19 1. The restricted license issued to DEBETZ shall be subject to all of the  
20 provisions of Section 10156.7 of the Code as to the following limitations, conditions and  
21 restrictions imposed under authority of Section 10156.6 of that Code:

22 (a) The restricted license issued to DEBETZ shall be suspended prior to  
23 hearing by Order of the Commissioner in the event of DEBETZ's  
24 conviction (including by plea of guilty or nolo contendere) to a crime  
25 which is substantially related to DEBETZ's fitness or capacity as a real  
26 estate licensee; and,

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///

1 (b) The restricted license issued to DEBETZ shall be suspended prior to  
2 hearing by Order of the Commissioner on evidence satisfactory to the  
3 Commissioner that DEBETZ has violated provisions of the California  
4 Real Estate Law, the Subdivided Lands Law, Regulations of the Real  
5 Estate Commissioner, or conditions attaching to the restricted license.

6 2. DEBETZ shall not be eligible to apply for the issuance of an unrestricted real  
7 estate license nor for removal of any of the conditions, limitations or restrictions of a restricted  
8 license until two (2) years have elapsed from the effective date of this Decision. Respondent  
9 shall not be eligible to apply for any unrestricted licensed until all restrictions attached to the  
10 license have been removed.

11 3. DEBETZ shall notify the Commissioner in writing within 72 hours of any  
12 arrest by sending a certified letter to the Commissioner at the Department of Real Estate, Legal  
13 Section at Post Office Box 137007, Sacramento, CA 95813-7007. The letter shall set forth the  
14 date of DEBETZ's arrest, the crime for which DEBETZ was arrested and the name and address  
15 of the arresting law enforcement agency. DEBETZ's failure to timely file written notice shall  
16 constitute an independent violation of the terms of the restricted license and shall be grounds for  
17 the suspension or revocation of that license.


18 4. DEBETZ shall, within nine (9) months from the effective date of this  
19 Decision, present evidence satisfactory to the Commissioner that DEBETZ has, since the most  
20 recent issuance of an original or renewal real estate license, taken and successfully completed the  
21 continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal  
22 of a real estate license. If DEBETZ fails to satisfy this condition, the Commissioner shall order  
23 the suspension of the restricted license until the DEBETZ presents such evidence. The  
24 Commissioner shall afford DEBETZ the opportunity for hearing pursuant to the APA to present  
25 such evidence. Proof of completion of the continuing education courses must be delivered to the  
26 Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013.  
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1                   5. Notwithstanding any other provision of this Order, all licenses and license  
2 rights of DEBETZ are suspended unless and until he provides proof satisfactory to the  
3 Commissioner that he has taken and successfully completed the continuing education course on  
4 Trust Fund Accounting and Handling specified in Section 10170.5(a)(3) of the Code. The  
5 course must have been completed no earlier than one hundred twenty (120) days prior to the  
6 effective date of this Order, and proof must be submitted prior to the effective date of this  
7 Order, to prevent suspension of his license pursuant to this condition. Proof of completion of  
8 the trust fund accounting and handling course must be delivered to the Department of Real  
9 Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013 prior to the effective  
10 date of this Decision and order.

11                   6. DEBETZ shall, within nine (9) months from the issuance of the Order, take  
12 and pass the Professional Responsibility Examination administered by the Department,  
13 including the payment of the appropriate examination fee. All licenses and licensing rights of  
14 DEBETZ shall be indefinitely suspended unless or until DEBETZ passes the examination.

15                   7. All licenses and licensing rights of DEBETZ are indefinitely suspended  
16 unless or until DEBETZ pay the sum of \$3,628.13 for the Commissioner's reasonable cost of  
17 the investigation and enforcement which led to this disciplinary action. Said payment shall be  
18 in the form of a cashier's check or certified check made payable to the Real Estate Fund. The  
19 investigative and enforcement costs must be delivered to the Department of Real Estate, Flag  
20 Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this  
21 Decision and Order.

22  
23                   10/25/2021  
24                   \_\_\_\_\_ DATED

25                     
26                   \_\_\_\_\_  
27                   JASON D. LAZARK, Counsel  
                          Department of Real Estate


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I have read the Stipulation and Agreement in Settlement and Order 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 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.

I 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 me and my attorney: *Department of Real Estate, Legal Section, P.O. Box 137007, Sacramento, California 95813-7007*. I understand and agrees 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.

10-25-21  
DATED

  
\_\_\_\_\_  
JOHN FREDERICK DEBETZ II  
Designated Officer for Respondent  
RED DOOR REALTY AND  
MANAGEMENT, INC.

10-25-21  
DATED

  
\_\_\_\_\_  
JOHN FREDERICK DEBETZ II  
Respondent

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The foregoing Stipulation and Agreement is hereby adopted as my Decision in this matter and shall become effective at 12 o'clock noon on JAN 07 2022

IT IS SO ORDERED 12.8.21, 2021.

REAL ESTATE COMMISSIONER

  
\_\_\_\_\_  
DOUGLAS R. McCAULEY