

1 Department of Real Estate  
2 P.O. Box 137007  
3 Sacramento, CA 95813-7007

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**FILED**

JUN 23 2022

DEPARTMENT OF REAL ESTATE  
By B. Nicholas

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7  
8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )

12 KENDALL & POTTER PROPERTY )  
13 MANAGEMENT, INC.;

14 and )

15 RITA M. LAW, individually and as designated )  
16 officer of Kendall & Potter Property )  
17 Management Inc., )

18 Respondents.)

No. H-3387 FR

STIPULATION AND  
AGREEMENT

19 It is hereby stipulated by and between KENDALL & POTTER PROPERTY  
20 MANAGEMENT, INC. (KPPMI), and RITA M. LAW (LAW) (collectively "Respondents"),  
21 and the Complainant, acting by and through Truly Sughrue, Counsel for the Department of  
22 Real Estate (Department), as follows for the purpose of settling and disposing the Accusation  
23 filed on April 19, 2022, in this matter:

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

1 Stipulation and Agreement.

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

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

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

20           5.       This Stipulation and Agreement and Respondents' decision not to contest  
21 the Accusation are made for the purpose of reaching an agreed disposition of this proceeding and  
22 are expressly limited to this proceeding and any other proceeding or case in which the  
23 Department, the state or federal government, an agency of this state, or an agency of another state  
24 is involved.

25           6.       Respondents understand that by agreeing to this Stipulation and  
26 Agreement, Respondents agree to pay, pursuant to Section 10148 of the California Business and  
27 Professions Code (Code), the cost of the audit, which resulted in the determination that



1 following sections of the Code and Title 10, Chapter 6, of the California Code of Regulations  
2 (Regulations):

3 As to Paragraphs 11 and 12, under Section 10177(d) of the Code in conjunction  
4 with Section 10085 of the Code and Section 2970 of the Regulations;

5 As to Paragraphs 11 and 13, under Section 10177(d) of the Code in conjunction  
6 with Sections 10145 and 10145 of the Code and Section 2832 of the Regulations;

7 As to Paragraphs 11 and 14, under Section 10177(d) of the Code in conjunction  
8 with Section 10146 of the Code and Section 2972 of the Regulations;

9 As to Paragraphs 11 and 15, and 17, under Section 10176(e) of the Code;

10 As to Paragraph 16, under Section 10177(d) of the Code in conjunction with  
11 Section 10145 of the Code and Section 2832 of the Regulations; and

12 As to Paragraph 18, under Section 10177(d) of the Code in conjunction with  
13 Section 10161.8 of the Code and Section 2752 of the Regulations.

14 II

15 The acts and/or omissions of LAW as described in the Accusation is cause for  
16 the suspension or revocation of LAW's license and/or license rights under Section 10177(h) of  
17 the Code.

18 \* \* \*

19 ORDER

20 I

21 All licenses and licensing rights of KPPMI under the Real Estate Law are  
22 suspended for a period of thirty (30) days from the effective date of this Order; provided,  
23 however, that:

24 1) Fifteen (15) days of said suspension shall be stayed, upon the condition that  
25 KPPMI petition pursuant to Section 10175.2 of the Code and pays a monetary penalty pursuant  
26 to Section 10175.2 of the Code at a rate of \$25 for each day of the suspension for a total  
27 monetary penalty of \$375.

1 a) Said payment shall be in the form of a cashier's check made payable to the  
2 Department of Real Estate. Said check must be delivered to the Department of Real Estate, Flag  
3 Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this  
4 Order.

5 b) No further cause for disciplinary action against the Real Estate licenses of KPPMI  
6 occurs within two (2) years from the effective date of the decision in this matter.

7 c) If KPPMI fails to pay the monetary penalty as provided above prior to the  
8 effective date of this Order, the stay of the suspension shall be vacated as to that KPPMI and the  
9 order of suspension shall be immediately executed, under this Order, in which event the said  
10 KPPMI shall not be entitled to any repayment nor credit, prorated or otherwise, for the money  
11 paid to the Department under the terms of this Order.

12 d) If KPPMI pays the monetary penalty and any other moneys due under this  
13 Stipulation and Agreement and if no further cause for disciplinary action against the real estate  
14 license of said KPPMI occurs within two (2) years from the effective date of this Order, the  
15 entire stay hereby granted this Order, as to said KPPMI only, shall become permanent.

16 2) Fifteen (15) days of said suspension shall be stayed for two (2) years upon the  
17 following terms and conditions:

18 a) KPPMI shall obey all laws, rules and regulations governing the rights, duties and  
19 responsibilities of a real estate licensee in the State of California; and,

20 b) That no final subsequent determination be made, after hearing or upon stipulation,  
21 that cause for disciplinary action occurred within two (2) years from the effective date of this  
22 Order. Should such a determination be made, the Commissioner may, in his discretion, vacate  
23 and set aside the stay order and reimpose all or a portion of the stayed suspension. Should no  
24 such determination be made, the stay imposed herein shall become permanent.

25 II

26 All licenses and licensing rights of LAW under the Real Estate Law are suspended  
27 for a period of thirty (30) days from the effective date of this Order; provided, however, that:

1) Fifteen (15) days of said suspension shall be stayed, upon the condition that LAW petition pursuant to Section 10175.2 of the Code and pays a monetary penalty pursuant to Section 10175.2 of the Code at a rate of \$25 for each day of the suspension for a total monetary penalty of \$375.

a) Said payment shall be in the form of a cashier's check made payable to the Department of Real Estate. Said check must be delivered to the Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this Order.

b) No further cause for disciplinary action against the Real Estate licenses of LAW occurs within two (2) years from the effective date of the decision in this matter.

c) If LAW fails to pay the monetary penalty as provided above prior to the effective date of this Order, the stay of the suspension shall be vacated as to that LAW and the order of suspension shall be immediately executed, under this Order, in which event the said LAW shall not be entitled to any repayment nor credit, prorated or otherwise, for the money paid to the Department under the terms of this Order.

d) If LAW pays the monetary penalty and any other moneys due under this Stipulation and Agreement and if no further cause for disciplinary action against the real estate license of said LAW occurs within two (2) years from the effective date of this Order, the entire stay hereby granted this Order, as to said LAW only, shall become permanent.

2) Fifteen (15) days of said suspension shall be stayed for two (2) years upon the following terms and conditions:

a) LAW shall obey all laws, rules and regulations governing the rights, duties and responsibilities of a real estate licensee in the State of California; and,

b) That no final subsequent determination be made, after hearing or upon stipulation, that cause for disciplinary action occurred within two (2) years from the effective date of this Order. Should such a determination be made, the Commissioner may, in his discretion, vacate and set aside the stay order and reimpose all or a portion of the stayed suspension. Should no

1 such determination be made, the stay imposed herein shall become permanent.

2 3) All licenses and licensing rights of LAW are indefinitely suspended unless or until  
3 LAW provides proof satisfactory to the Commissioner, of having taken and successfully  
4 completed the continuing education course on trust fund accounting and handling specified in  
5 paragraph (3) of subdivision (a) of Section 10170.5 of the Code. Proof of satisfaction of these  
6 requirements includes evidence that LAW has successfully completed the trust fund account and  
7 handling continuing education courses, no earlier than 120 days prior to the effective date of the  
8 Decision and Order in this matter. Proof of completion of the trust fund accounting and handling  
9 course must be delivered to the Department of Real Estate, Flag Section at P.O. Box 137013,  
10 Sacramento, CA 95813-7013 or by fax at 916-263-8758, prior to the effective date of this  
11 Decision and Order.

12 III

13 1) Pursuant to Section 10148 of the Code, Respondents shall pay the sum of \$9,052  
14 for the Commissioner's cost of the audit which led to this disciplinary action. Respondents shall  
15 pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner.  
16 Payment of audit costs should not be made until Respondents receive the invoice. If  
17 Respondents fail to satisfy this condition in a timely manner as provided for herein, Respondents'  
18 real estate license shall automatically be suspended until payment is made in full, or until a  
19 decision providing otherwise is adopted following a hearing held pursuant to this condition.

20 2) Pursuant to Section 10148 of the Code, Respondents shall pay the Commissioner's  
21 reasonable cost, not to exceed \$11,315, for an audit to determine if Respondents have corrected  
22 the violation(s) found in the Determination of Issues. In calculating the amount of the  
23 Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary  
24 for all persons performing audits of real estate brokers, and shall include an allocation for travel  
25 time to and from the auditor's place of work. Respondents shall pay such costs within sixty (60)  
26 days of receiving an invoice therefore from the Commissioner. Payment of the audit costs should  
27 not be made until Respondents receive the invoice. If Respondents fail to satisfy this condition

1 in a timely manner as provided for herein, Respondents' real estate license shall automatically be  
2 suspended until payment is made in full, or until a decision providing otherwise is adopted  
3 following a hearing held pursuant to this condition.

4  
5  
6 DATED

10-May-22

  
7 TRULY SUGHRUE  
8 Counsel for Complainant


9 \* \* \*

10 I have read the Stipulation and Agreement, and its terms are understood by me  
11 and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the  
12 California Administrative Procedure Act, and I willingly, intelligently and voluntarily waive  
13 those rights, including the right of requiring the Commissioner to prove the allegations in the  
14 Accusation at a hearing at which I would have the right to cross-examine witnesses against me  
15 and to present evidence in defense and mitigation of the charges.

16 Respondents further agree to send the original signed Stipulation and Agreement  
17 by mail to the following address no later than one (1) week from the date the Stipulation and  
18 Agreement is signed by Respondents and Respondents' attorney: *Department of Real Estate,*  
19 *Legal Section, P.O. Box 137007, Sacramento, California 95813-7007.* Respondents and  
20 Respondents' attorney understand and agree that if they fail to return the original signed  
21 Stipulation and Agreement by the due date, Complainant retains the right to set this matter for  
22 hearing.

23 DATED

May 9, 2022

  
24 Rita M. Law, Designated Officer  
25 KENDALL & POTTER PROPERTY  
26 MANAGEMENT, INC.,  
27 Respondent



1 May 9, 2022  
DATED

Rita M Law  
RITA M. LAW  
Respondent

3 \* \* \*

4 The foregoing Stipulation and Agreement is hereby adopted as my Decision and  
5 Order and shall become effective at 12 o'clock noon on JUL 14 2022.

6 IT IS SO ORDERED 6.17.22.

7  
8 DOUGLAS R. McCAULEY  
REAL ESTATE COMMISSIONER

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10 Douglas R. McCauley  
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