

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

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FILED

MAY 08 2024

DEPARTMENT OF REAL ESTATE
By B. N. [Signature]

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

10 * * *

11 In the Matter of the Accusation of

12 AJR MANAGEMENT INC.;

13 and

14 JOHN W. AHL, JR., individually and as
15 designated officer of AJR Management Inc.,

16 Respondents.

No. H-3462 FR

STIPULATION AND
AGREEMENT

17 It is hereby stipulated by and between AJR MANAGEMENT INC. (AJR), and
18 JOHN W. AHL, JR. (AHL) (collectively "Respondents"), and the Complainant, acting by and
19 through Truly Sughrue, Counsel for the Department of Real Estate (Department), as follows
20 for the purpose of settling and disposing of the Accusation filed on July 7, 2023, in this
21 matter:

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

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

4 3. Respondents filed a Notice 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 Notice of Defense. Respondents
7 acknowledge that Respondents understand that by withdrawing said Notice of Defense
8 Respondents will thereby waive Respondents' rights to require the Real Estate Commissioner
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 Respondents will waive other rights
11 afforded to Respondents in connection with the hearing such as the right to present evidence in
12 defense of the allegations in the Accusation and the right to cross-examine witnesses.

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

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

24 6. Respondents understand that by agreeing to this Stipulation and
25 Agreement, Respondents agree to pay, pursuant to Section 10148 of the California Business and
26 Professions Code (Code), the cost of the audit, which resulted in the determination that
27 Respondent committed the trust fund handling violation(s) found in the Determination of Issues.

1 The amount of said costs is \$5,077.

2 7. Respondents further understand that by agreeing to this Stipulation and
3 Agreement, the findings set forth below in the Determination of Issues become final, and that
4 the Commissioner may charge said Respondents for the costs of any audit conducted pursuant
5 to Section 10148 of the Code to determine if the violations have been corrected. The maximum
6 costs of said audit shall not exceed \$6,346.25.

7 8. Respondents understand that by agreeing to this Stipulation and
8 Agreement, Respondents agree to pay, pursuant to Section 10106 of the Code, the reasonable
9 costs of investigation and enforcement, which resulted in the determination that Respondent
10 committed the violation(s) found in the Determination of Issues. The amount of said
11 investigation and enforcement costs is \$1,700.

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

19 10. The Order or any subsequent Order of the Commissioner made pursuant to
20 this Stipulation and Agreement shall not constitute an estoppel, merger or bar to any further
21 administrative or civil proceedings by the Department with respect to any matters which were
22 not specifically alleged to be causes for action in Accusation H-3462 FR.

23 * * *

24 DETERMINATION OF ISSUES

25 By reason of the foregoing stipulations and waivers and solely for the purpose of
26 settlement of the pending Accusation without a hearing, it is stipulated and agreed that the
27 following determination of issues shall be made:

I

The acts and omissions of Respondents as described in the Accusation are grounds for the suspension or revocation of Respondents' licenses and license rights under the following sections of the Code and Title 10, Chapter 6, of the California Code of Regulations (Regulations):

As to Paragraphs 10 and 11, under Section 10177(d) of the Code in conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations; and

As to Paragraph 12, under Section 10177(d) of the Code in conjunction with Section 2831 of the Regulations.

As to Paragraph 13, under Section 10177(d) of the Code in conjunction with Section 2831.1 of the Regulations.

As to Paragraph 14, under Section 10177(d) of the Code in conjunction with Section 2831.2 of the Regulations.

II

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

* * *

ORDER

I

All licenses and licensing rights of AJR under the Real Estate Law are suspended for a period of sixty (60) days from the effective date of this Order; provided, however, that:

1) Thirty (30) days of said suspension shall be stayed, upon the condition that AJR 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 \$50 for each day of the suspension for a total monetary penalty of \$1,500.

1 for a period of sixty (60) days from the effective date of this Order; provided, however, that:

2 1) Thirty (30) days of said suspension shall be stayed, upon the condition that AHL
3 petition pursuant to Section 10175.2 of the Code and pays a monetary penalty pursuant to
4 Section 10175.2 of the Code at a rate of \$50 for each day of the suspension for a total monetary
5 penalty of \$1,500.

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

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

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

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

21 2) Thirty (30) days of said suspension shall be stayed for two (2) years upon the
22 following terms and conditions:

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

25 b) That no final subsequent determination be made, after hearing or upon stipulation,
26 that cause for disciplinary action occurred within two (2) years from the effective date of this
27 Order. Should such a determination be made, the Commissioner may, in the Commissioner's

1 discretion, vacate and set aside the stay order and reimpose all or a portion of the stayed
2 suspension. Should no such determination be made, the stay imposed herein shall become
3 permanent.

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

14 III

15 1) Pursuant to Section 10148 of the Code, Respondents shall pay the sum of \$5,077
16 for the Commissioner's cost of the audit which led to this disciplinary action. Respondents shall
17 pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner.
18 Payment of audit costs should not be made until Respondents receive the invoice. If
19 Respondents fail to satisfy this condition in a timely manner as provided for herein,
20 Respondents' real estate license shall automatically be suspended until payment is made in full,
21 or until a decision providing otherwise is adopted following a hearing held pursuant to this
22 condition.

23 2) Pursuant to Section 10148 of the Code, Respondents shall pay the
24 Commissioner's reasonable cost, not to exceed \$6,346.25, for an audit to determine if
25 Respondents have corrected the violation(s) found in the Determination of Issues. In calculating
26 the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated
27 average hourly salary for all persons performing audits of real estate brokers and shall include an

1 allocation for travel time to and from the auditor's place of work. Respondents shall pay such
2 costs within sixty (60) days of receiving an invoice therefore from the Commissioner. Payment
3 of the audit costs should not be made until Respondents receive the invoice. If Respondents fail
4 to satisfy this condition in a timely manner as provided for herein, Respondents' real estate
5 license shall automatically be suspended until payment is made in full, or until a decision
6 providing otherwise is adopted following a hearing held pursuant to this condition.

7 3) All licenses and licensing rights of Respondents are indefinitely suspended unless
8 or until Respondents pays the sum of \$1,700 for the Commissioner's reasonable cost of the
9 investigation and enforcement which led to this disciplinary action. Said payment shall be in the
10 form of a cashier's check made payable to the Department of Real Estate. The investigative and
11 enforcement costs must be delivered to the Department of Real Estate, Flag Section at P.O. Box
12 137013, Sacramento, CA 95813-7013, prior to the effective date of this Decision and Order.

13
14 6 February 2024

15 DATED



16 TRULY SUGHRUE
17 Counsel for Complainant

18 * * *

19 I have read the Stipulation and Agreement, discussed it with my counsel, and its
20 terms are understood by me and are agreeable and acceptable to me. I understand that I am
21 waiving rights given to me by the California Administrative Procedure Act, and I willingly,
22 intelligently and voluntarily waive those rights, including the right of requiring the
23 Commissioner to prove the allegations in the Accusation at a hearing at which I would have the
24 right to cross-examine witnesses against me and to present evidence in defense and mitigation of
the charges.

25 - Respondents can signify acceptance and approval of the terms and conditions of
26 this Stipulation and Agreement by faxing a copy of the signature page, as actually signed by
27 Respondent, to the Department at fax number (916) 576-7840 or by e-mail to

1 truly.sughrue@dre.ca.gov. Respondent agrees, acknowledges, and understands that by
2 electronically sending to the Department a copy of Respondent's actual signature as it appears
3 on the Stipulation and Agreement, that receipt of the copy by the Department shall be as
4 binding on Respondent as if the Department had received the original signed Stipulation and
5 Agreement.

6
7 2/6/24
8 DATED

John W. Ahl, Jr., Designated Officer
AJR MANAGEMENT INC.
Respondent

9
10 2/6/24
11 DATED

JOHN W. AHL, JR.
Respondent

12
13 I have reviewed the Stipulation and Agreement as to form and content and have
14 advised my clients accordingly.

15 2-6-24
16 DATED

FRANK M. BUDA
Attorney for Respondents

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18
19 The foregoing Stipulation and Agreement is hereby adopted as my Decision and
20 Order and shall become effective at 12 o'clock noon on MAY 29 2024

21 IT IS SO ORDERED 4/22/2024

22 CHIKA SUNQUIST
23 Real Estate Commissioner
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25
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