1	DEPARTMENT OF REAL ESTATE	
2	P. O. Box 137007 Sacramento, CA 95813-7007 <b>FILED</b>	
3	Telephone: (916) 576-7843 JUN 2 3 2023	
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5	DEPARTMENT OF REAL ESTATE By	
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8	BEFORE THE DEPARTMENT OF REAL ESTATE	
9	STATE OF CALIFORNIA	
10	* * *	
11	In the Matter of the Accusation of: ) Case No. H-3463 FR	
12	)	
13	CONNOLLY PROPERTIES, INC., and)STIPULATION AND AGREEMENTBERNARD F. CONNOLLY)IN SETTLEMENT AND ORDER	
14	) Respondents. )	
15	ý	
16	It is hereby stipulated by and between Respondents CONNOLLY	
17	PROPERTIES, INC. ("CONNOLLY INC.") and BERNARD F. CONNOLLY (Mr.	
18	CONNOLLY), (collectively referred to as "Respondents"), acting by and through Joshua A.	
19	Rosenthal, counsel for Respondents, and the Complainant, acting by and through Jason D.	
20	Lazark, Counsel for the Department of Real Estate, as follows for the purpose of settling and	
21	disposing of the Accusation filed on December 27, 2022, 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 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 In Settlement and Order ("Stipulation and Agreement").	
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\* \* 1. Respondents have received, read. and understand the Statement to
 Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department
 of Real Estate in this proceeding.

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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 Real Estate Commissioner ("Commissioner") to prove. 9 the allegations in the Accusation at a contested hearing held in accordance with the provisions 10 of the APA, and that they will waive other rights afforded to them in connection with the 11 hearing, such as the right to present evidence in defense of the allegations in the Accusation 12 and the right to cross-examine witnesses.

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

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

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

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

8. Respondents further understand that by agreeing to this Stipulation and
Agreement, Respondents agree to be responsible for jointly and severally paying, pursuant to
Section 10106 of the Code, the costs of the investigation and enforcement of this case which
resulted in the determination that Respondents committed the violation(s) found in the
Determination of Issues. The amount of such cost is \$2,998.80.

9. Respondents understand that by agreeing to this Stipulation and Agreement,
Respondents agree to be responsible for jointly and severally paying, pursuant to Section 10148
of the California Business and Professions Code ("the Code"), the costs of the audit which
resulted in the determination that Respondents committed the trust fund violation(s) found in the
Determination of Issues. The amount of such costs is \$3,627.00

16 10. Respondent further understands that by agreeing to this Stipulation and
17 Agreement, the findings set forth below in the Determination of Issues become final, and that the
18 Commissioner may charge Respondent for the costs of any audit(s) conducted pursuant to
19 Section 10148 of the Code to determine if the violations have been corrected and hold
20 Respondent responsible for paying the costs of the follow up audit. The maximum costs of said
21 audit shall not exceed \$4,533.75.

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## DETERMINATION OF ISSUES

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

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1	The acts and/or omissions of CONNOLLY INC. as described in the Accusation
2	are grounds for the suspension or revocation of the licenses and license rights of CONNOLLY
3	INC. under the provisions of Sections 10145, 10177(d), and 10177(g) of the Code, and Sections
4	2831.2, 2832, 2832.1, and 2834 of Title 10 of the California Code of the Regulations ("the
5	Regulations");
6	The acts and/or omissions of Mr. CONNOLLY as described in the Accusation are
7	grounds for the suspension or revocation of the licenses and license rights of CONNOLLY under
8	the provisions of Sections 10145, 10159.2, 10177(d), 10177(g), and 10177(h) of the Code, and
9	Sections 2725, 2831.2, 2832, 2832.1, and 2834 of the Regulations.
10	ORDER
11	· 1.
12	AS TO CONNOLLY INC.
13	All licenses and licensing rights of CONNOLLY INC. under the Real Estate Law
14	are suspended for a period of ninety (90) days from the effective date of this Order; provided,
15	however, that:
16	1. Thirty (30) days of said suspension shall be stayed upon the condition that
17	CONNOLLY INC. petitions pursuant to Section 10175.2 of the Code and pays a monetary
18	penalty pursuant to Section 10175.2 of the Code, at a rate of \$100 for each day of the suspension,
19	for a total monetary penalty of \$3,000.
20	a. Said payment shall be in the form of a cashier's check made payable to
21	the Department of Real Estate. Said check must be delivered to the Department of Real Estate,
22	Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this
23	Order.
24	b. No further cause for disciplinary action against the real estate license
25	of CONNOLLY INC. occurs within two (2) years from the effective date of the Order in this
26	matter.
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1	c. If CONNOLLY INC. fails to pay the monetary penalty in accordance
2	with the terms and conditions of the Decision, the Commissioner may, without a hearing, order
3	the immediate execution of all or any part of the stayed suspension, in which event,
4	CONNOLLY INC. shall not be entitled to any repayment nor credit, prorated or otherwise, for
5	money paid to the Department under the terms of this decision.
6	d. If CONNOLLY INC. pays the monetary penalty, and if no further
7	cause for disciplinary action against the real estate license of CONNOLLY INC. occurs within
8	two (2) years from the effective date of the Decision herein, then the stay hereby granted shall
9	become permanent.
10	2. The remaining sixty (60) days of said suspension shall be stayed for two (2)
11	years upon the following terms and conditions:
12	a. CONNOLLY INC. shall obey all laws, rules and regulations
13	governing the rights, duties and responsibilities of a real estate licensee in the State of
14	California, and
15	b. That no final subsequent determination be made, after hearing or
16	upon stipulation, that cause for disciplinary action occurred within two (2) years from the
17	effective date of this Order. Should such a determination be made, the Commissioner may, in
18	his discretion, vacate and set aside the stay order and reimpose all or a portion of the stayed
19	suspension. Should no such determination be made, the stay imposed herein shall become
20	permanent.
21	II.
22	AS TO Mr. CONNOLLY
23	All licenses and licensing rights of Mr. CONNOLLY under the Real Estate Law
24	are suspended for a period of ninety (90) days from the effective date of this Order; provided,
25	however, that:
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1 1. Thirty (30) days of said suspension shall be stayed upon the condition that Mr. 2 CONNOLLY petitions pursuant to Section 10175.2 of the Code and pays a monetary penalty 3 pursuant to Section 10175.2 of the Code, at a rate of \$100 for each day of the suspension, for a 4 total monetary penalty of \$3,000. 5 Said payment shall be in the form of a cashier's check made payable to a. 6 the Department of Real Estate. Said check must be delivered to the Department of Real Estate, 7 Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this 8 Order. 9 b. No further cause for disciplinary action against the real estate license 10 of Mr. CONNOLLY occurs within two (2) years from the effective date of the Order in this 11 matter. 12 If Mr. CONNOLLY fails to pay the monetary penalty in accordance c. 13 with the terms and conditions of the Decision, the Commissioner may, without a hearing, order 14 the immediate execution of all or any part of the stayed suspension, in which event, Mr. 15 CONNOLLY shall not be entitled to any repayment nor credit, prorated or otherwise, for money 16 paid to the Department under the terms of this decision. 17 d. If Mr. CONNOLLY pays the monetary penalty, and if no further 18 cause for disciplinary action against the real estate license of Mr. CONNOLLY occurs within 19 two (2) years from the effective date of the Decision herein, then the stay hereby granted shall 20 become permanent. 21 2. The remaining sixty (60) days of said suspension shall be stayed for two (2) 22 years upon the following terms and conditions: 23 Mr. CONNOLLY shall obey all laws, rules and regulations governing a. 24 the rights, duties and responsibilities of a real estate licensee in the State of California, and 25 That no final subsequent determination be made, after hearing or b. 26 upon stipulation, that cause for disciplinary action occurred within two (2) years from the 27 effective date of this Order. Should such a determination be made, the Commissioner may, in - 6 -

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

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

9 4. All licenses and licensing rights of Mr. CONNOLLY are indefinitely 10 suspended unless or until Mr. CONNOLLY provides proof satisfactory to the Commissioner, of 11 having taken and successfully completed the continuing education course on trust fund 12 accounting and handling specified in paragraph (3) of subdivision (a) of Section 10170.5 of the 13 Code. Proof of satisfaction of these requirements includes evidence that Mr. CONNOLLY has 14 successfully completed the trust fund accounting and handling continuing education course, no 15 earlier than one hundred twenty (120) days prior to the effective date of the Order in this matter. 16 Proof of completion of the trust fund accounting and handling course must be delivered to the 17 Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior 18 to the effective date of this Order.

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AS TO CONNOLLY INC. AND Mr. CONNOLLY JOINTLY AND SEVERALLY

III.

All licenses and licensing rights of Respondents, are indefinitely suspended
 unless or until Respondents, jointly and severally, pay the sum of \$2,998.80 for the
 Commissioner's reasonable cost of the investigation and enforcement which led to this
 disciplinary action. Said payment shall be in the form of a cashier's check or certified check
 made payable to the Real Estate Fund. The investigative and enforcement costs 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

1 2. Pursuant to Section 10148 of the Code, Respondents, jointly and severally, 2 shall pay the sum of \$3,627.00 for the Commissioner's cost of the audit which led to this 3 disciplinary action. Respondents shall pay such cost within sixty (60) days of receiving an 4 invoice therefore from the Commissioner. The Commissioner shall indefinitely suspend all 5 licenses and licensing rights of Respondents pending a hearing held in accordance with Section 6 11500, et seq., of the Government Code, if payment is not timely made as provided for herein, 7 or as provided for in a subsequent agreement between Respondents and the Commissioner. 8 The suspension shall remain in effect until payment is made in full or until Respondents enter 9 into an agreement satisfactory to the Commissioner to provide for payment, or until a decision 10 providing otherwise is adopted following a hearing held pursuant to this condition. 11 3. Respondents, jointly and severally, shall pay the Commissioner's costs, not 12 to exceed \$4,533.75 of any audit conducted pursuant to Section 10148 of the Code to 13 determine if Respondents have corrected the violations described in the Determination of 14 Issues, above, and any other violations found in the audit which led to this disciplinary action. 15 In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use 16 the estimated average hourly salary for all persons performing audits of real estate brokers, and 17 shall include an allocation for travel time to and from the auditor's place of work. Respondents 18 shall pay such cost within sixty (60) days of receiving an invoice therefore from the 19 Commissioner detailing the activities performed during the audit and the amount of time spent 20 performing those activities. If Respondents fail to pay such cost within the sixty (60) days, the 21 Commissioner shall indefinitely suspend all licenses and licensing rights of Respondents under 22 the Real Estate Law until payment is made in full or until Respondents enter into an agreement 23 satisfactory to the Commissioner to provide for payment. Upon full payment, the indefinite 24 suspension provided for in this paragraph shall be stayed. 25 5/9/2023 26

JASON D. LAZARK, Counsel Department of Real Estate

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DATED

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2	I have read the Stipulation and Agreement in Settlement and Order and its terms	
3	are understood by me and are agreeable and acceptable to me. I understand that I am waiving	
4	rights given to me by the California Administrative Procedure Act (including but not limited to	
5	Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly,	
6	intelligently, and voluntarily waive those rights, including the right of requiring the	
7	Commissioner to prove the allegations in the Accusation at a hearing at which I would have the	
8	right to cross-examine witnesses against me and to present evidence in defense and mitigation	
9	of the charges.	
10	I further agree to send the original signed Stipulation and Agreement by mail to	
11	the following address no later than one (1) week from the date the Stipulation and Agreement	
12	is signed by me and my attorney: Department of Real Estate, Legal Section, P.O. Box 137007,	
13	Sacramento, California 95813-7007. I understand and agrees that if they fail to return the	
14	original signed Stipulation and Agreement by the due date, Complainant retains the right to set	
15	this matter for hearing.	
16	Marcana Marchalland	
. 17	DATED DATED DERNARD F. CONNOLLY,	
18	Designated Officer for Respondent, CONNOLLY PROPERTIES, INC.	
19	$A \rightarrow A = A = A = A = A = A = A = A = A = $	
20	May 5, 2023 Demark 7. Coursello	
21	DATED BERNARD F. CONNOLLY, Respondent	
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1	I have reviewed the Stipulation and Agreement as to form and content and
2	have advised my client accordingly.
3	05/05/23
4	DATED Joshua A. Rosenthal, Attorney for Respondents,
5	CONNOLLY PROPERTIES, INC., and BERNARD F. CONNOLLY
6	
7	* * *
8	The foregoing Stipulation and Agreement is hereby adopted as my Decision in
9	this matter and shall become effective at 12 o'clock noon on JUL 1 4 2023
10	IT IS SO ORDERED 6 8.23, 2023.
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12	REAL ESTATE COMMISSIONER
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