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FILED

JUL 31 2009

DEPARTMENT OF REAL ESTATE

By Jean D'Amico

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\*\*\*

In the Matter of the Accusation of )  
 )  
 FRED QUIGLEY, )  
 )  
 Respondent. )

No. H-4315 SAC

ORDER GRANTING REINSTATEMENT OF LICENSE

On October 27, 2005, in Case No. H-4315 SAC, a Decision was rendered revoking the real estate broker license of Respondent effective November 17, 2005, but granting Respondent the right to the issuance of a restricted real estate broker license. A restricted real estate broker license was issued to Respondent on November 17, 2005 and Respondent has operated as a restricted licensee since that time.

On February 13, 2008, Respondent petitioned for reinstatement of said real estate broker license, and the Attorney General of the State of California has been given notice of the filing of said petition.

I have considered the petition of Respondent and the evidence and arguments in support thereof. Respondent has demonstrated to my satisfaction that Respondent meets the

1 requirements of law for the issuance to Respondent of an unrestricted real estate broker license  
2 and that it would not be against the public interest to issue said license to Respondent.

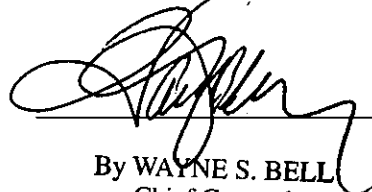
3 NOW, THEREFORE, IT IS ORDERED that Respondent's petition for  
4 reinstatement is granted and that a real estate broker license be issued to Respondent if  
5 Respondent satisfies the following conditions within twelve (12) months from the date of this  
6 Order:

- 7 1. Submittal of a completed application and payment of the fee for a real estate  
8 broker license.
- 9 2. Submittal of evidence of having, since the most recent issuance of an original  
10 or renewal real estate license, taken and successfully completed the continuing education  
11 requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate  
12 license.

13 This Order shall be effective immediately.

14 DATED: July 30, 2009

15 JEFF DAVI  
16 Real Estate Commissioner

17   
18 \_\_\_\_\_  
19 By WAYNE S. BELL  
20 Chief Counsel



prescribed by Section 11506 of the Government Code, Respondent's default was entered herein.

II

Respondent KENNETH AMARADIO INC. (hereafter KAI) is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereinafter "Code") as a corporate real estate broker.

III

At all times herein mentioned, KAI engaged in activities on behalf of others for which a real estate license is required under Section 10131(b) of the Code, for or in expectation of compensation. Respondents leased or rented, offered to lease or rent, solicited prospective tenants, collected rents on, and/or managed certain real properties in California.

IV

In acting as real estate broker, as described in Paragraph III, KAI accepted or received funds in trust (trust funds) from or on behalf of owners and tenants in connection with the leasing, renting, and collection of rents on real property or improvements thereon, as alleged herein, and thereafter from time to time made disbursements of said trust funds.

V

The aforesaid trust funds accepted or received by KAI were deposited or caused to be deposited by Respondents into one or more bank accounts (trust funds accounts) maintained by Respondents for the handling of trust funds, including but not limited to the following:

<u>TITLE AND ACCOUNT NUMBERS</u>	<u>BANK</u>
Kenneth Amaradio Inc, DBA Anchor Realty Trust Account Account No. 9622160 (Trust #1)	North Valley Bank 2930 Bechelli Lane Redding, CA 96002
Kenneth Amaradio Inc, DBA Exclusive Properties Trust Account Account No. 9622624 (Trust #2)	North Valley Bank 2930 Bechelli Lane Redding, CA 96002

## VI

Between on or about September 19, 2003 and on or about June 30, 2004, in connection with the collection and disbursement of said trust funds:

(a) KAI failed to deposit and maintain trust funds in Trust #1 and #2 in such manner that as of June 30, 2004, there was a combined shortage of \$26,049.31 of trust funds.

(b) KAI failed to obtain prior written consent from each of the principals for the reduction of the aggregate balance of trust funds in Trust #1 and #2 to an amount less than the existing aggregate trust fund liability to the owners of said funds in violation of Section 2832.1 of the Regulations.

(c) KAI failed to reconcile the balance of separate beneficiary or transaction records with the control records of trust funds received and disbursed at least once a month, and/or failed to maintain a record of such reconciliations as requested by Section 2831.2 of the Regulations.

(d) KAI failed to deposit trust funds from rents and security deposits within three business working days as required by Section 2832 of the Regulations.

## VII

KAI operated their real estate business in Redding, California, under the fictitious business names of "Anchor Realty", without KAI obtaining a license bearing said fictitious business name as required by Section 2731 of the Regulations.

### DETERMINATION OF ISSUES

#### I

Cause for disciplinary action against Respondent KAI exists pursuant to the following Sections of the Code and Regulations:

(1) As to Paragraph VI(a), under Section 10145 of the Code in conjunction with Section 10177(d) of the Code;

(2) As to Paragraph VI(b), under Section 10177(d) of the Code in conjunction with Section 2832.1 of the Regulations;

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

(4) As to Paragraph VI(d), under Section 10177(d) of the Code in conjunction with Section 2832 of the Regulations;  
and

(5) As to Paragraph VII, under Section 10177(d) of the Code in conjunction with Section 2731 of the Regulations.

II

The standard of proof applied was clear and convincing proof to a reasonable certainty.

ORDER

All licenses and licensing rights of respondent KENNETH AMARADIO INC., under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on AUG 29 2006

DATED: \_\_\_\_\_

8-2-06  
JEFF DAVIS  
Real Estate Commissioner

nl.

1 TRULY SUGHRUE, Counsel  
2 State Bar No. 223266  
3 Department of Real Estate  
4 P.O. Box 187007  
5 Sacramento, CA 95818-7007  
6  
7 Telephone: (916) 227-0781

**FILED**  
JUN 28 2006  
DEPARTMENT OF REAL ESTATE  
By *Aune Mann*

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) No. H-4315 SAC  
12 )  
13 KENNETH AMARADIO INC., MARK ) DEFAULT ORDER  
14 CATO, and FRED QUIGLEY, )  
15 Respondents. )

16 Respondent, KENNETH AMARADIO INC., having failed to  
17 file a Notice of Defense within the time required by Section  
18 11506 of the Government Code, is now in default. It is,  
19 therefore, ordered that a default be entered on the record in  
20 this matter.

21  
22 IT IS SO ORDERED *June 29th, 2006*

23 JEFF DAVI  
24 Real Estate Commissioner

25 By: *Steven J. Ellis*  
26 STEVEN J. ELLIS  
27 Regional Manager

FILED  
DEC 27 2005

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Department of Real Estate  
P.O. Box 187007  
Sacramento, CA 95818-7007  
  
Telephone: (916) 227-0781

DEPARTMENT OF REAL ESTATE

By *Crise Sharon*

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	No. H-4315 SAC
	)	
KENNETH AMARADIO INC., MARK	)	<u>STIPULATION AND</u>
CATO, and FRED QUIGLEY,	)	<u>AGREEMENT</u>
	)	
Respondents.	)	

It is hereby stipulated by and between MARK CATO (hereafter Respondent) and his attorney, Thomas C. Lasken, and the Complainant, acting by and through Truly Sughrue, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing the Accusation filed on June 30, 2005 in this matter:

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



1 Stipulation and Agreement.

2           2. Respondent has received, read and understands the  
3 Statement to Respondent, and the Discovery Provisions of the APA  
4 filed by the Department of Real Estate in this proceeding.

5           3. On July 11, 2005, Respondent filed a Notice of  
6 Defense pursuant to Section 11505 of the Government Code for the  
7 purpose of requesting a hearing on the allegations in the  
8 Accusation. Respondent hereby freely and voluntarily withdraws  
9 said Notice of Defense. Respondent acknowledges that he  
10 understands that by withdrawing said Notice of Defense he will  
11 thereby waive his rights to require the Commissioner to prove the  
12 allegations in the Accusation at a contested hearing held in  
13 accordance with the provisions of the APA, and that he will waive  
14 other rights afforded to them in connection with the hearing such  
15 as the right to present evidence in defense of the allegations in  
16 the Accusation and the right to cross-examine witnesses.

17           4. This stipulation is based on the factual  
18 allegations contained in the Accusation. In the interest of  
19 expediency and economy, Respondent chooses not to contest these  
20 factual allegations, but to remain silent and understands that,  
21 as a result thereof, these factual statements will serve as a  
22 prima facie basis for the "Determination of Issues" and "Order"  
23 set forth below. The Real Estate Commissioner shall not be  
24 required to provide further evidence to prove such allegations.

25           5. This Stipulation and Respondent's decision not to  
26 contest the Accusation are made for the purpose of reaching an  
27

1 agreed disposition of this proceeding and are expressly limited  
2 to this proceeding and any other proceeding or case in which the  
3 Department of Real Estate (herein "the Department"), the state or  
4 federal government, an agency of this state, or an agency of  
5 another state is involved.

6 6. Respondent understands that by agreeing to this  
7 Stipulation and Agreement, Respondent agrees to pay, pursuant to  
8 Section 10148 of the California Business and Professions Code,  
9 the cost of the audit which resulted in the determination that  
10 Respondent committed the trust fund violation(s) found in  
11 Paragraph I, below, of the Determination of Issues. The amount  
12 of said costs is \$6,890.76.

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

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

1 Real Estate with respect to any matters which were not  
2 specifically alleged to be causes for accusation in this  
3 proceeding.

4 \* \* \*

5 DETERMINATION OF ISSUES

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

10 I

11 The acts and/or omissions of Respondent MARK CATO as  
12 stipulated above violate Section 10145 of the California Business  
13 and Professions Code (hereafter the Code), and Sections 2831.2,  
14 2832.1, 2832, 2834(b), 2731, and 2725 of Title 10, California  
15 Code of Regulations, and constitute grounds for disciplinary  
16 action under the provisions of Section 10177(d) of the Code.

17 \* \* \*

18 ORDER

19 I

20 All licenses and licensing rights of Respondent MARK CATO  
21 under the Real Estate Law are suspended for a period of ninety  
22 (90) days from the effective date of this Order; provided,  
23 however, that:

24 1) Fifty (50) days of said suspension shall be stayed, upon the  
25 condition that Respondent petition pursuant to Section 10175.2  
26

27

1 of the Business and Professions Code and pays a monetary  
2 penalty pursuant to Section 10175.2 of the Business and  
3 Professions Code at a rate of \$100 for each day of the  
4 suspension for a total monetary penalty of \$5,000.

5 a) Said payment shall be in the form of a cashier's check or  
6 certified check made payable to the Recovery Account of the  
7 Real Estate Fund. Said check must be delivered to the  
8 Department prior to the effective date of the Order in this  
9 matter.

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

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

22 d) If said Respondent pay the monetary penalty and any other  
23 moneys due under this Stipulation and Agreement and if no  
24 further cause for disciplinary action against the real  
25 estate license of said Respondent occurs within two (2)  
26 years from the effective date of this Order, the entire stay  
27

1 hereby granted under Paragraph 1 of this Order, as to said  
2 Respondent only, shall become permanent.

3 2) The remaining forty (40) days of said suspension shall be  
4 stayed for two (2) years upon the following terms and  
5 conditions:

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

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

17 3) Respondent shall, within six (6) months from the effective  
18 date of this Decision, take and pass the Professional  
19 Responsibility Examination administered by the Department  
20 including the payment of the appropriate examination fee. If  
21 Respondent fails to satisfy this condition, the Commissioner  
22 may order suspension of the license until Respondent passes  
23 the examination.

24 4) Respondent shall, prior to the effective date of this  
25 Decision, submit proof satisfactory to the Commissioner of  
26 having taken and successfully completed the continuing  
27 education course on trust fund accounting and handling

1 specified in subdivision (a) of Section 10170.5 of the  
2 Business and Professions Code. Proof of satisfaction of this  
3 requirement includes evidence that Respondent has successfully  
4 completed the trust fund account and handling continuing  
5 education course within 120 days prior to the effective date  
6 of the Decision in this matter. If Respondent fails to satisfy  
7 this condition, the Commissioner may order the suspension of  
8 Respondent's license until Respondent presents proof that he  
9 has successfully completed the trust fund course.

10 5) Pursuant to Section 10148 of the Business and Professions  
11 Code, Respondent shall pay the sum of \$6,890.76 for the  
12 Commissioner's cost of the audit which led to this  
13 disciplinary action. Respondent shall pay such cost within  
14 forty-five (45) days of receiving an invoice therefor from the  
15 Commissioner. The Commissioner may suspend the restricted  
16 license issued to Respondent pending a hearing held in  
17 accordance with Section 11500, et seq., of the Government  
18 Code, if payment is not timely made as provided for herein, or  
19 as provided for in a subsequent agreement between the  
20 Respondent and the Commissioner. The suspension shall remain  
21 in effect until payment is made in full or until Respondent  
22 enters into an agreement satisfactory to the Commissioner to  
23 provide for payment, or until a decision providing otherwise  
24 is adopted following a hearing held pursuant to this  
25 condition.  
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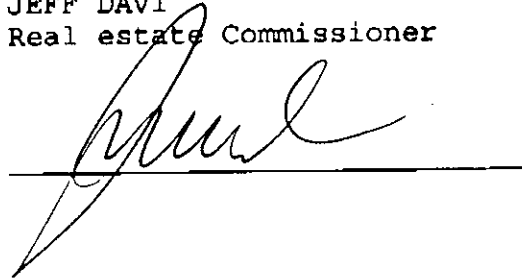
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\* \* \*

The foregoing Stipulation and Agreement is hereby  
adopted as my Decision and shall become effective at 12 o'clock  
noon on January 11, 2006

IT IS SO ORDERED 12-21, 2005.

JEFF DAVI  
Real estate Commissioner







1 Stipulation and Agreement.

2           2. Respondent has received, read and understands the  
3 Statement to Respondent, and the Discovery Provisions of the APA  
4 filed by the Department of Real Estate in this proceeding.

5           3. On July 11, 2005, Respondent filed a Notice of  
6 Defense pursuant to Section 11505 of the Government Code for the  
7 purpose of requesting a hearing on the allegations in the  
8 Accusation. Respondent hereby freely and voluntarily withdraws  
9 said Notice of Defense. Respondent acknowledges that they  
10 understand that by withdrawing said Notice of Defense they will  
11 thereby waive their rights to require the Commissioner to prove  
12 the allegations in the Accusation at a contested hearing held in  
13 accordance with the provisions of the APA, and that they will  
14 waive other rights afforded to them in connection with the  
15 hearing such as the right to present evidence in defense of the  
16 allegations in the Accusation and the right to cross-examine  
17 witnesses.

18           4. Respondent, pursuant to the limitations set forth  
19 below, hereby admits that the factual allegations pertaining to  
20 him in Paragraphs I through IX of the Accusation filed in this  
21 proceeding are true and correct and the Real Estate Commissioner  
22 shall not be required to provide further evidence of such  
23 allegations.

24           5. Without admitting the truth of the allegations  
25 contained in the remaining paragraphs of the Accusation,  
26 Respondent stipulates that he will not interpose a defense  
27 thereto. This Stipulation is based on the factual allegations

1 contained in the Accusation. In the interests of expedience and  
 2 economy, Respondent choose not to contest the allegations, but to  
 3 remain silent, and understand that, as a result thereof, these  
 4 factual allegations, without being admitted or denied, will serve  
 5 as a basis for the disciplinary action stipulated to herein. The  
 6 Real Estate Commissioner shall not be required to provide further  
 7 evidence to prove said factual allegations.

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

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

25 \\\

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1 \* \* \*

2 DETERMINATION OF ISSUES

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

7 The acts and/or omissions of Respondent FRED QUIGLEY as  
8 stipulated above violate Section 10145 of the California Business  
9 and Professions Code (hereafter the Code), and Sections 2831.2,  
10 2832.1, 2832, 2834(b), 2731, and 2725 of Title 10, California  
11 Code of Regulations, and constitute grounds for disciplinary  
12 action under the provisions of Section 10177(d) of the Code.

13 \* \* \*

14 ORDER

15 I

- 16 A. All real estate license(s) and license rights of Respondent  
17 FRED QUIGLEY are revoked.
- 18 B. A restricted real estate broker license shall be issued to  
19 Respondent pursuant to Section 10156.6 of the Code if  
20 Respondent makes application therefor and pays to the  
21 Department the appropriate fee for said license within ninety  
22 (90) days of the effective date of the Order.
- 23 C. The restricted license issued to Respondent shall be subject  
24 to all of the provisions of Section 10156.7 of the Business  
25 and Professions Code and to the following conditions and  
26 limitations imposed under authority of Section 10156.6 of  
27 said Code:

- 1) Respondent shall, prior to and as a condition of the issuance of said restricted license, submit proof satisfactory to the Commissioner of having taken and completed the continuing education course on trust fund accounting and handling specified in paragraph (3) of subdivision (a) of Section 10170.5 of the Business and Professions Code from an approved continuing education course provider. Said course may have been completed within one hundred and eighty (120) days prior to the effective date of the order herein.
- 2) The restricted license issued to Respondent may be suspended prior to hearing by order of the Real Estate Commissioner in the event of Respondent's conviction or plea of nolo contendere to a crime which bears a substantial relationship to Respondent's fitness or capacity as a real estate licensee.
- 3) The restricted license may be suspended prior to hearing by Order of the Real estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.
- 4) Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license, nor the removal of any of the conditions of the restricted


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license, until two (2) years have elapsed from the effective date of this Order.

5) Respondent shall, within nine (9) months from the effective date of this Order, present evidence satisfactory to the Real Estate Commissioner that Respondent has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If Respondent fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until Respondent presents such evidence. The Commissioner shall afford Respondent the opportunity for hearing pursuant to the Administrative Procedure Act to present such evidence.

6) Respondent shall, within six (6) months from the effective date of this Decision, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If Respondent fails to satisfy this condition, the Commissioner may order suspension of the restricted license until Respondent passes the examination.

19-Sept-05  
DATED

  
TRULY SUGHRUE  
Counsel for Complainant

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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, 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.

9-15-05

DATED

*Fred Quigley*

FRED QUIGLEY  
Respondent

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

Sept 15, 2005

DATED

*Breck Jones*

BRECK JONES  
Attorney for Respondent

\* \* \*

The foregoing Stipulation and Agreement is hereby adopted as my Decision and shall become effective at 12 o'clock noon on NOV 17 2005, 2005.

IT IS SO ORDERED 10-12, 2005.

JEFF DAVIS  
Real estate Commissioner

*Jeff Davis*

1 TRULY SUGHRUE, Counsel  
2 State Bar No. 223266  
3 Department of Real Estate  
4 P.O. Box 187007  
5 Sacramento, CA 95818-7007  
6  
7 Telephone: (916) 227-0781

FILED  
JUN 30 2005

DEPARTMENT OF REAL ESTATE

By Jean Aramb

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) No. H- 4315 SAC  
12 KENNETH AMARADIO INC., MARK ) ACCUSATION  
13 CATO, and FRED QUIGLEY, )  
14 Respondents. )

15  
16 The Complainant, CHARLES W. KOENIG, a Deputy Real  
17 Estate Commissioner KENNETH AMARADIO INC., MARK CATO, and FRED  
18 QUIGLEY (Respondents), is informed and alleges as follows:

19 I

20 The Complainant, CHARLES W. KOENIG, a Deputy Real  
21 Estate Commissioner of the State of California, makes this  
22 Accusation in his official capacity.

23 II

24 Respondents are presently licensed and/or have license  
25 rights under the Real Estate Law (Part 1 of Division 4 of the  
26 Business and Professions Code) (the Code).



III

1 At all times herein mentioned, KENNETH AMARADIO INC.,  
2 (hereafter KAI) was and is licensed by the State of California  
3 Department of Real Estate (Department) as a corporate real estate  
4 broker.  
5

6 IV

7 Respondent FRED QUIGLEY, (QUIGLEY) was and is licensed  
8 by the Department as a real estate broker. QUIGLEY was the  
9 designated broker officer of KAI from February 20, 2004 until May  
10 3, 2004.

11 V

12 Respondent MARK CATO, (CATO) was and is licensed by the  
13 Department as a real estate broker. CATO was the designated  
14 broker officer of KAI beginning May 3, 2004 until present.  
15

16 VI

17 As said designated officer-broker, QUIGLEY and CATO  
18 were responsible pursuant to Section 10159.2 of the Code for the  
19 supervision of the activities of the officers, agents, real  
20 estate licensees, and employees of KAI for which a license is  
21 required.

22 VII

23 At all times herein mentioned, Respondents engaged in  
24 activities on behalf of others for which a real estate license is  
25 required under Section 10131(b) of the Code, for or in  
26 expectation of compensation. Respondents leased or rented,  
27 offered to lease or rent, solicited prospective tenants,

1 collected rents on, and/or managed certain real properties in  
2 California.

3 VIII

4 In acting as real estate brokers, as described in  
5 Paragraph VII, Respondents accepted or received funds in trust  
6 (trust funds) from or on behalf of owners and tenants in  
7 connection with the leasing, renting, and collection of rents on  
8 real property or improvements thereon, as alleged herein, and  
9 thereafter from time to time made disbursements of said trust  
10 funds.

11 IX

12 The aforesaid trust funds accepted or received by  
13 Respondents were deposited or caused to be deposited by  
14 Respondents into on or more bank accounts (trust funds accounts)  
15 maintained by Respondents for the handling of trust funds,  
16 including but not limited to the following:

<u>TITLE AND ACCOUNT NUMBERS</u>	<u>BANK</u>
18 Kenneth Amaradio Inc, DBA Anchor Realty 19 Trust Account 20 Account No. 9622160 (Trust #1)	North Valley Bank 2930 Bechelli Lane Redding, CA 96002
21 Kenneth Amaradio Inc, DBA Exclusive 22 Properties Trust Account Account No. 9622624 (Trust #2)	North Valley Bank 2930 Bechelli Lane Redding, CA 96002

23 X

24 Between on or about September 19, 2003 and on or about  
25 June 30, 2004, in connection with the collection and  
26 disbursement of said trust funds:  
27

1 (a) KAI failed to deposit and maintain trust funds in  
2 Trust #1 and #2 in such manner that as of June 30, 2004, there  
3 was a combined shortage of \$26,049.31 of trust funds.

4 (b) KAI failed to obtain prior written consent from  
5 each of the principals for the reduction of the aggregate  
6 balance of trust funds in Trust #1 and #2 to an amount less than  
7 the existing aggregate trust fund liability to the owners of  
8 said funds in violation of Section 2832.1 of the Regulations.

9 (c) KAI failed to reconcile the balance of separate  
10 beneficiary or transaction records with the control records of  
11 trust funds received and disbursed at least once a month, and/or  
12 failed to maintain a record of such reconciliations as requested  
13 by Section 2831.2 of the Regulations.

14 (d) KAI failed to deposit trust funds from rents and  
15 security deposits within three business working days as required  
16 by Section 2832 of the Regulations.

17 XI

18 In connection with the receipt and disbursement of  
19 trust funds described in Paragraph VII above, CATO and QUIGLEY  
20 were not an authorized signatory on Trust Fund #1 and #2 as  
21 required by Section 2834(b) of the Regulations.

22 XII

23 KAI operated their real estate business in Redding,  
24 California, under the fictitious business names of "Anchor  
25 Realty", without KAI obtaining a license bearing said fictitious  
26 business name as required by Section 2731 of the Regulations.

27

1 XIII

2 CATO and QUIGLEY failed to exercise reasonable  
3 supervision over the acts of KAI in such a manner as to allow the  
4 acts and events described above to occur.

5 XIV

6 The acts and/or omissions of CATO and QUIGLEY described  
7 in paragraph XIII, constitute failure on the part of CATO and  
8 QUIGLEY, as designated broker-officer for KAI, to exercise  
9 reasonable supervision and control over the licensed activities  
10 of KAI required by Section 10159.2 of the Code.

11 XV

12 The facts alleged above are grounds for the suspension  
13 or revocation of Respondents licenses and license rights under  
14 the following sections of the Code and Regulations:

15 (1) As to Paragraph X(a), under Section 10145 of the  
16 Code in conjunction with Section 10177(d) of the Code;

17 (2) As to Paragraph X(b), under Section 10177(d) of  
18 the Code in conjunction with Section 2832.1 of the Regulations;

19 (5) As to Paragraph X(c), under Section 10177(d) of  
20 the Code in conjunction with Section 2831.2 of the Regulations.

21 (4) As to Paragraph X(d), under Section 10177(d) of  
22 the Code in conjunction with Section 2832 of the Regulations;

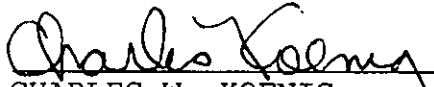
23 (5) As to Paragraph XI, under Section 10177(d) of the  
24 Code in conjunction with Section 2834(b) of the Regulations;

25 (6) As to Paragraph XII, under Section 10177(d) of  
26 the Code in conjunction with Section 2731 of the Regulations;

27

1 (7) As to Paragraph XIV, under Section 10177(h) of  
2 the Code and Section 10177(d) of the Code in conjunction with  
3 Section 2725 of the Regulations.

4 WHEREFORE, Complainant prays that a hearing be  
5 conducted on the allegations of this Accusation and that upon  
6 proof thereof, a decision be rendered imposing disciplinary  
7 action against all licenses and license rights of Respondents,  
8 under the Real Estate Law (Part 1 of Division 4 of the Business  
9 and Professions Code), and for such other and further relief as  
10 may be proper under other provisions of law.

11  
12   
13 CHARLES W. KOENIG  
14 Deputy Real Estate Commissioner

15 Dated at Sacramento, California,  
16 this 17<sup>th</sup> day of June, 2005