

1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 187007
3 Sacramento, CA 95818-7007
4 Telephone: (916) 227-0789

FILED

SEP - 3 2008

DEPARTMENT OF REAL ESTATE

By K. Contreras

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12 FIRST CHOICE, INC.,)
13 A Corporation,) NO. H-4790 SAC
14 SHASTA FUN, INC.,)
15 a Corporation,) STIPULATION AND AGREEMENT
16 "KATHLEEN KING, and) IN SETTLEMENT
LINDA WILLIAMSON,) AND ORDER
Respondents.)

17 It is hereby stipulated by and between Respondents.
18 FIRST CHOICE, INC. (herein "FCI"), SHASTA FUN, INC. (herein
19 "SFI"), KATHLEEN KING (herein "KING"), and LINDA WILLIAMSON
20 (herein "WILLIAMSON") (herein jointly "Respondents"), by and
21 through Tory E. Griffin, attorney of record herein for Respondent
22 KING, and individually and jointly by and through Stephen L.
23 Ramazzini, attorney of record herein for Respondents FCI, SFI,
24 and WILLIAMSON, and the Complainant, acting by and through
25 Mary F. Clarke, Counsel for the Department of Real Estate
26 (herein "the Department"), as follows for the purpose of settling

1 and disposing of the Accusation filed on June 13, 2007, in this
2 matter (herein "the Accusation"):

3 1. All issues which were to be contested and all
4 evidence which was to be presented by Complainant and
5 Respondents at a formal hearing on the Accusation, which
6 hearing was to be held in accordance with the provisions of the
7 Administrative Procedures Act (APA), shall instead and in place
8 thereof be submitted solely on the basis of the provisions of
9 this Stipulation and Agreement.

10 2. Respondents have received, read and understand the
11 Accusation, the Statement to Respondent, and the Discovery
12 Provisions of the APA filed by the Department of Real Estate in
13 this proceeding.

14 3. On June 27, 2007, July 3, 2007, and August 2, 2007,
15 Respondents filed their Notices of Defense pursuant to Section
16 11505 of the Government Code for the purpose of requesting a
17 hearing on the allegations in the Accusation. Respondents hereby
18 freely and voluntarily withdraw said Notices of Defense.
19 Respondents acknowledge that they understand that by withdrawing
20 said Notices of Defense they will each thereby waive their rights
21 to require the Commissioner to prove the allegations in the
22 Accusation at a contested hearing held in accordance with the
23 provisions of the APA, and that they will waive other rights
24 afforded to them in connection with the hearing such as the right
25 to present evidence in defense of the allegations in the
26 Accusation and the right to cross-examine witnesses.

1 4. Respondents, pursuant to the limitations set forth
2 below, hereby admit that the factual allegations pertaining to
3 them in the Accusation filed in this proceeding are true and
4 correct and the Real Estate Commissioner shall not be required
5 to provide further evidence of such allegations.

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

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

22 7. Respondents FCI and KING understand that by
23 agreeing to this Stipulation and Agreement, Respondents FCI and
24 KING jointly and severally agree to pay, pursuant to Section
25 10148 of the California Business and Professions Code (herein
26 "Code"), the cost of the audit which resulted in the

1 determination that Respondents FCI and KING committed the trust
2 fund violation(s) found in Paragraph I, below, of the
3 Determination of Issues. The amount of said cost is \$5,136.28.

4 8. Respondents FCI and KING further understand that by
5 agreeing to this Stipulation and Agreement in Settlement, the
6 findings set forth below in the Determination Of Issues become
7 final, and that the Commissioner may charge said Respondents FCI
8 and KING, jointly and severally, for the costs of any audit
9 conducted pursuant to Section 10148 of the Code to determine if
10 the trust fund violation(s) found in Paragraph I, below, of the
11 Determination of Issues have been corrected. The maximum cost of
12 said audit shall not exceed \$5,136.28. Respondents shall pay
13 such cost within 60 days of receiving an invoice from the
14 Commissioner detailing the activities performed during the audit
15 and the amount of time spent performing those activities.

16 9. Respondents SFI and WILLIAMSON understand that by
17 agreeing to this Stipulation and Agreement, Respondents SFI and
18 WILLIAMSON jointly and severally agree to pay, pursuant to
19 Section 10148 of the Code, the cost of the audit which resulted
20 in the determination that Respondents SFI and WILLIAMSON
21 committed the trust fund violation(s) found in Paragraph II,
22 below, of the Determination of Issues. The amount of said costs
23 is \$5,320.18.

24 10. Respondents SFI and WILLIAMSON further understand
25 that by agreeing to this Stipulation and Agreement in Settlement,
26 the findings set forth below in the Determination Of Issues

1 become final, and that the Commissioner may charge said
2 Respondents, jointly and severally, for the costs of any audit
3 conducted pursuant to Section 10148 of the Code to determine if
4 the trust fund violation(s) found in Paragraph II, below, of the
5 Determination of Issues have been corrected. The maximum cost of
6 said audit shall not exceed \$5,320.18. Respondents SFI and
7 WILLIAMSON shall pay such cost within 60 days of receiving an
8 invoice from the Commissioner detailing the activities performed
9 during the audit and the amount of time spent performing those
10 activities.

11 DETERMINATION OF ISSUES

12 I

13 The acts and omissions of Respondents FCI and KING as
14 described in the Accusation are grounds for the suspension or
15 revocation of the licenses and license rights of Respondents FCI
16 and KING under the following provisions of the Code and/or Chapter 6,
17 Title 10, California Code of Regulations (herein "the Regulations"):

18 (a) as to Paragraph IX(a) and Respondent FCI under
19 Section 10145 of the Code and Section 2831 of the Regulations in
20 conjunction with Section 10177(d) of the Code;

21 (b) as to Paragraph IX(b) and Respondent FCI under
22 Section 10145 of the Code and Section 2831.1 of the Regulations
23 in conjunction with Section 10177(d) of the Code;

24 (c) as to Paragraph IX(c) and Respondent FCI under
25 Section 10145 of the Code and Section 2831.2 of the Regulations
26 in conjunction with Section 10177(d) of the Code;

1 (d) as to Paragraph IX(d) and Respondent FCI under
2 Section 10145 of the Code and Section 2832 of the Regulations in
3 conjunction with Section 10177(d) of the Code;

4 (e) as to Paragraph IX(e) and Respondent FCI under
5 Section 10145 of the Code and Section 2832.1 of the Regulations
6 in conjunction with Section 10177(d) of the Code;

7 (f) as to Paragraph IX(f) and Respondent FCI under
8 Section 10176(e) of the Code; and

9 (g) as to Paragraph X and Respondent KING under
10 Sections 10177(g), 10177(h), and Section 10159.2 of the Code in
11 conjunction with Section 10177(d) of the Code.

12 II

13 The acts and omissions of Respondents SFI and
14 WILLIAMSON as described in the Accusation are grounds for the
15 suspension or revocation of the licenses and license rights of
16 Respondents SFI and WILLIAMSON under the following provisions of
17 the Code and/or the Regulations:

18 (a) as to Paragraph XV(a) and SFI under Section 10145
19 of the Code and Section 2831 of the Regulations in conjunction
20 with Section 10177(d) of the Code;

21 (b) as to Paragraph XV(b) and SFI under Section 10145
22 of the Code and Section 2831.1 of the Regulations in conjunction
23 with Section 10177(d) of the Code;

24 (c) as to Paragraph XV(c) and SFI under Section 10145
25 of the Code and Section 2831.2 of the Regulations in conjunction
26 with Section 10177(d) of the Code;

1 (d) as to Paragraph XV(d) and SFI under Section 10145
2 of the Code and Section 2832 of the Regulations in conjunction
3 with Section 10177(d) of the Code;

4 (e) as to Paragraph XV(e) and Respondent SFI under
5 Section 10145 of the Code and Section 2832.1 of the Regulations
6 in conjunction with Section 10177(d) of the Code;

7 (f) as to Paragraph XV(f) and SFI under Section 10145
8 of the Code and Section 2834 of the Regulations in conjunction
9 with Section 10177(d) of the Code;

10 (g) as to Paragraph XV(g) and SFI under Section 10145
11 of the Code and Section 2835 of the Regulations in conjunction
12 with Section 10177(d) of the Code; and,

13 (h) as to Paragraph XVI and Respondent WILLIAMSON
14 under Sections 10177(g), 10177(h), and 10159.2 of the Code in
15 conjunction with Section 10177(d) of the Code.

16
17 ORDER

18 I

19 A. All licenses and licensing rights of Respondent FCI
20 under the Real Estate Law are revoked; provided, however, a
21 restricted corporate real estate broker license shall be issued
22 to said Respondent pursuant to Section 10156.5 of the Code if,
23 within 90 days from the effective date of the Decision entered
24 pursuant to this Order, the Respondent makes application for the
25 restricted license and pays to the Department of Real Estate the
26 appropriate fee therefore.

1 B. The restricted license issued to Respondent FCI
2 shall be subject to all of the provisions of Section 10156.7 of
3 the Code and to the following limitations, conditions and
4 restrictions imposed under authority of Section 10156.6 of that
5 Code:

6 1. The restricted license issued to Respondent
7 FCI may be suspended prior to hearing by Order of the Real Estate
8 Commissioner in the event of Respondent's conviction or plea of
9 nolo contendere to a crime which is substantially related to
10 Respondent's fitness or capacity as a real estate licensee.

11 2. The restricted license issued to Respondent
12 FCI may be suspended prior to hearing by Order of the Real Estate
13 Commissioner on evidence satisfactory to the Commissioner that
14 Respondent has violated provisions of the California Real Estate
15 Law, the Subdivided Lands Law, Regulations of the Real Estate
16 Commissioner or conditions attaching to the restricted license.

17 3. Respondent FCI shall not be eligible to apply
18 for the issuance of an unrestricted real estate license nor for
19 the removal of any of the conditions, limitations or restrictions
20 of a restricted license until two (2) years have elapsed from the
21 effective date of this Decision.

22 4. Respondents FCI and KING understand that by
23 agreeing to this Stipulation and Agreement, Respondents FCI and
24 KING jointly and severally agree to pay, pursuant to Section
25 10148 of the Code, the cost of the audit which resulted in the
26 determination that Respondents committed the trust fund

1 violation(s) found in Paragraph I, above, of the Determination of
2 Issues. The amount of said costs is \$5,136.28. Respondents FCI
3 and KING shall pay such cost within 60 days of receiving an
4 invoice from the Commissioner. If Respondents FCI and KING fail
5 to pay for the cost of the audit within 60 days of mailing a
6 notice of billing, the Commissioner may suspend or revoke the
7 broker's license or deny renewal of the broker's license. The
8 suspension or denial shall remain in effect until the cost is
9 paid or until the broker's right to renew a license had expired.

10 5. Respondents FCI and KING further understand
11 that by agreeing to this Stipulation and Agreement in Settlement,
12 the findings set forth in Paragraph I, above, in the
13 Determination of Issues become final, and that the Commissioner
14 may charge said Respondents, jointly and severally, for the costs
15 of any audit conducted pursuant to Section 10148 of the Code to
16 determine if the trust fund violation(s) found in Paragraph I,
17 above, of the Determination of Issues have been corrected. The
18 maximum costs of said audit shall not exceed \$5,136.28.

19 Respondents FCI and KING shall pay such cost within 60 days of
20 receiving an invoice from the Commissioner. If Respondents
21 fail to pay for the cost of the audit within 60 days of mailing
22 a notice of billing, the Commissioner may suspend or revoke
23 the broker's license or deny renewal of the broker's license.
24 The suspension or denial shall remain in effect until the cost
25 is paid or until the broker's right to renew a license had
26 expired.

1 II

2 A. All licenses and licensing rights of Respondent SFI
3 under the Real Estate Law are revoked; provided, however, a
4 restricted corporate real estate broker license shall be issued
5 to said Respondent pursuant to Section 10156.5 of the Code if,
6 within 90 days from the effective date of the Decision entered
7 pursuant to this Order, the Respondent makes application for the
8 restricted license and pays to the Department of Real Estate the
9 appropriate fee therefore.

10 B. The restricted license issued to Respondent SFI
11 shall be subject to all of the provisions of Section 10156.7 of
12 the Code and to the following limitations, conditions and
13 restrictions imposed under authority of Section 10156.6 of that
14 Code:

15 1. The restricted license issued to Respondent
16 SFI may be suspended prior to hearing by Order of the Real Estate
17 Commissioner in the event of Respondent's conviction or plea of
18 nolo contendere to a crime which is substantially related to
19 Respondent's fitness or capacity as a real estate licensee.

20 2. The restricted license issued to Respondent
21 SFI may be suspended prior to hearing by Order of the Real
22 Estate Commissioner on evidence satisfactory to the Commissioner
23 that Respondent has violated provisions of the California Real
24 Estate Law, the Subdivided Lands Law, Regulations of the Real
25 Estate Commissioner or conditions attaching to the restricted
26 license.

1 3. Respondent SFI shall not be eligible to apply
2 for the issuance of an unrestricted real estate license nor for
3 the removal of any of the conditions, limitations or restrictions
4 of a restricted license until two (2) years have elapsed from the
5 effective date of this Decision.

6 4. Respondents SFI and WILLIAMSON understand that
7 by agreeing to this Stipulation and Agreement, Respondents
8 jointly and severally agree to pay, pursuant to Section 10148 of
9 the Code, the cost of the audit which resulted in the
10 determination that Respondents committed the trust fund
11 violation(s) found in Paragraph II, above, of the Determination
12 of Issues. The amount of said costs is \$5,320.18. Respondents
13 SFI and WILLIAMSON shall pay such cost within 60 days of
14 receiving an invoice from the Commissioner. If Respondents SFI
15 and WILLIAMSON fail to pay for the cost of the audit within 60
16 days of mailing a notice of billing, the Commissioner may suspend
17 or revoke the broker's license or deny renewal of the broker's
18 license. The suspension or denial shall remain in effect until
19 the cost is paid or until the broker's right to renew a license
20 had expired.

21 5. Respondents SFI and WILLIAMSON further
22 understand that by agreeing to this Stipulation and Agreement in
23 Settlement, the findings set for in Paragraph II, above, in the
24 Determination of Issues become final, and that the Commissioner
25 may charge said Respondents SFI and WILLIAMSON, jointly and
26 severally, for the costs of any audit conducted pursuant to

1 Section 10148 of the Code to determine if the trust fund
2 violation(s) found in Paragraph II, above, of the Determination
3 of Issues have been corrected. The maximum costs of said audit
4 shall not exceed \$5,320.18. Respondents SFI and WILLIAMSON shall
5 pay such cost within 60 days of receiving an invoice from the
6 Commissioner. If Respondents fail to pay for the cost of the
7 audit within 60 days of mailing a notice of billing, the
8 Commissioner may suspend or revoke the broker's license or deny
9 renewal of the broker's license. The suspension or denial shall
10 remain in effect until the cost is paid or until the broker's
11 right to renew a license had expired.

12 III

13 A. All licenses and licensing rights of Respondent
14 KING under the Real Estate Law are revoked; provided, however, a
15 restricted real estate broker license shall be issued to such
16 Respondent pursuant to Section 10156.5 of the Code if, within 90
17 days from the effective date of the Decision entered pursuant to
18 this Order, the Respondent, prior to and as a condition of the
19 issuance of said restricted license:

20 1. makes application for the restricted license
21 and pays to the Department of Real Estate the appropriate fee
22 therefor;

23 2. submits proof satisfactory to the Commissioner
24 of having taken and completed at an accredited institution the
25 continuing education course on trust fund accounting and handling
26 specified in Paragraph (3) of subdivision (a) of Section 10170.5

1 of the Code. Said course must have been completed within 120 days
2 prior to the issuance of the restricted license. Credit against
3 the continuing education condition set forth in Paragraph "6"
4 below will be given for completion of this trust fund accounting
5 and handling course during the 120 days prior to the issuance of
6 the restricted license.

7 B. The restricted license issued to Respondent KING
8 shall be subject to all of the provisions of Section 10156.7 of
9 the Code and to the following limitations, conditions and
10 restrictions imposed under authority of Section 10156.6 of that
11 Code:

12 1. The restricted license issued to Respondent
13 KING may be suspended prior to hearing by Order of the Real
14 Estate Commissioner in the event of the Respondent's conviction
15 or plea of nolo contendere to a crime which is substantially
16 related to Respondent's fitness or capacity as a real estate
17 licensee.

18 2. The restricted license issued to Respondent
19 KING may be suspended prior to hearing by Order of the Real
20 Estate Commissioner on evidence satisfactory to the Commissioner
21 that the Respondent has violated provisions of the California
22 Real Estate Law, the Subdivided Lands Law, Regulations of the
23 Real Estate Commissioner or conditions attaching to the
24 restricted license.

25 3. Respondent KING shall not be eligible to apply
26 for the issuance of an unrestricted real estate license or for

1 the removal of any of the conditions, limitations or restrictions
2 of a restricted license until two (2) years have elapsed from the
3 effective date of this Decision.

4 4. Respondents KING and FCI understand that by
5 agreeing to this Stipulation and Agreement, Respondents KING
6 and FCI jointly and severally agree to pay, pursuant to Section
7 10148 of the Code, the cost of the audit which resulted in the
8 determination that Respondents KING and FCI committed the
9 trust fund violation(s) found in Paragraph I, above, of the
10 Determination of Issues. The amount of said costs is \$5,136.28.
11 Respondents KING and FCI shall pay such cost within 60 days of
12 receiving an invoice from the Commissioner. If Respondents KING
13 and FCI fail to pay for the cost of the audit within 60 days of
14 mailing a notice of billing, the Commissioner may suspend or
15 revoke the broker's license or deny renewal of the broker's
16 license. The suspension or denial shall remain in effect until
17 the cost is paid or until the broker's right to renew a license
18 had expired.

19 5. Respondents KING and FCI further understand
20 that by agreeing to this Stipulation and Agreement in Settlement,
21 the findings set forth in Paragraph I, above, in the
22 Determination Of Issues become final, and that the Commissioner
23 may charge said Respondents KING and FCI, jointly and severally,
24 for the costs of any audit conducted pursuant to Section 10148 of
25 the Code to determine if the trust fund violation(s) found in
26 Paragraph I, above, of the Determination of Issues have been

1 corrected. The maximum costs of said audit shall not exceed
2 \$5,136.28. Respondents KING and FCI shall pay such cost within
3 60 days of receiving an invoice from the Commissioner. If
4 Respondents KING and FCI fail to pay for the cost of the audit
5 within 60 days of mailing a notice of billing, the Commissioner
6 may suspend or revoke the broker's license or deny renewal of the
7 broker's license. The suspension or denial shall remain in
8 effect until the cost is paid or until the broker's right to
9 renew a license had expired.

10 6. Respondent KING shall, within nine months from
11 the effective date of the Decision, present evidence satisfactory
12 to the Commissioner that Respondent has, since the most recent
13 issuance of an original or renewal real estate license, taken and
14 successfully completed the continuing education requirements of
15 Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a
16 real estate license. If Respondent fails to satisfy this
17 condition, the Commissioner may order the suspension of the
18 restricted license until the Respondent presents such evidence.
19 The Commissioner shall afford Respondent the opportunity for a
20 hearing pursuant to the Administrative Procedure Act to present
21 such evidence.

22 7. Respondent KING shall, within six (6) months
23 from the issuance of the restricted license, take and pass the
24 Professional Responsibility Examination administered by the
25 Department, including the payment of the appropriate examination
26 fee. If Respondent fails to satisfy this condition, the

1 Commissioner may order the suspension of the restricted license
2 until Respondent passes the examination.

3 IV

4 A. All licenses and licensing rights of Respondent
5 WILLIAMSON under the Real Estate Law are revoked; provided,
6 however, a restricted real estate broker license shall be issued
7 to such Respondent pursuant to Section 10156.5 of the Code if,
8 within 90 days from the effective date of the Decision entered
9 pursuant to this Order, the Respondent, prior to and as a
10 condition of the issuance of said restricted license:

11 1. makes application for the restricted license
12 and pays to the Department of Real Estate the appropriate fee
13 therefor;

14 2. submits proof satisfactory to the Commissioner
15 of having taken and completed at an accredited institution the
16 continuing education course on trust fund accounting and handling
17 specified in Paragraph (3) of subdivision (a) of Section 10170.5
18 of the Code. Said course must have been completed within 120
19 days prior to the issuance of the restricted license. Credit
20 against the continuing education condition set forth in Paragraph
21 "6" below will be given for completion of this trust fund
22 accounting and handling course during the 120 days prior to the
23 issuance of the restricted license.

24 B. The restricted license issued to Respondent
25 WILLIAMSON shall be subject to all of the provisions of Section
26 10156.7 of the Code and to the following limitations, conditions

1 and restrictions imposed under authority of Section 10156.6 of
2 that Code:

3 1. The restricted license issued to Respondent
4 WILLIAMSON may be suspended prior to hearing by Order of the Real
5 Estate Commissioner in the event of the Respondent's conviction
6 or plea of nolo contendere to a crime which is substantially
7 related to Respondent's fitness or capacity as a real estate
8 licensee.

9 2. The restricted license issued to Respondent
10 WILLIAMSON may be suspended prior to hearing by Order of the Real
11 Estate Commissioner on evidence satisfactory to the Commissioner
12 that the Respondent has violated provisions of the California
13 Real Estate Law, the Subdivided Lands Law, Regulations of the
14 Real Estate Commissioner or conditions attaching to the
15 restricted license.

16 3. Respondent WILLIAMSON shall not be eligible to
17 apply for the issuance of an unrestricted real estate license or
18 for the removal of any of the conditions, limitations or
19 restrictions of a restricted license until two (2) years have
20 elapsed from the effective date of this Decision.

21 4. Respondents WILLIAMSON and SFI understand that
22 by agreeing to this Stipulation and Agreement, Respondents
23 WILLIAMSON and SFI jointly and severally agree to pay, pursuant
24 to Section 10148 of the Code, the cost of the audit which
25 resulted in the determination that Respondents committed the
26 trust fund violation(s) found in Paragraph II, above, of the

1 Determination of Issues. The amount of said costs is \$5,320.18.
2 Respondents WILLIAMSON and SFI shall pay such cost within 60 days
3 of receiving an invoice from the Commissioner. If Respondents
4 WILLIAMSON and SFI fail to pay for the cost of the audit within
5 60 days of mailing a notice of billing, the Commissioner may
6 suspend or revoke the broker's license or deny renewal of the
7 broker's license. The suspension or denial shall remain in
8 effect until the cost is paid or until the broker's right to
9 renew a license had expired.

10 5. Respondents WILLIAMSON and SFI further
11 understand that by agreeing to this Stipulation and Agreement in
12 Settlement, the findings set forth in Paragraph II, above, in the
13 Determination of Issues become final, and that the Commissioner
14 may charge said Respondents, jointly and severally, for the cost
15 of any audit conducted pursuant to Section 10148 of the Code to
16 determine if the trust fund violation(s) found in Paragraph II,
17 above, of the Determination of Issues have been corrected. The
18 maximum cost of said audit shall not exceed \$5,320.18.

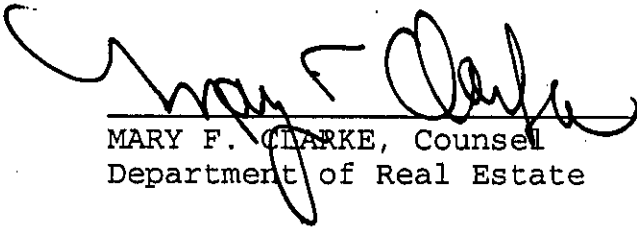
19 Respondents WILLIAMSON and SFI shall pay such cost within 60 days
20 of receiving an invoice from the Commissioner. If Respondents
21 WILLIAMSON and SFI fail to pay for the cost of the audit within
22 60 days of mailing a notice of billing, the Commissioner may
23 suspend or revoke the broker's license or deny renewal of the
24 broker's license. The suspension or denial shall remain in
25 effect until the cost is paid or until the broker's right to
26 renew a license had expired.

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

13 7. Respondent WILLIAMSON shall, within six (6)
14 months from the issuance of the restricted license, take and
15 pass the Professional Responsibility Examination administered by
16 the Department, including the payment of the appropriate
17 examination fee. If Respondent fails to satisfy this condition,
18 the Commissioner may order the suspension of the restricted
19 license until Respondent passes the examination.

21 5-2-08

22 DATED

21 
22 MARY F. CLARKE, Counsel
23 Department of Real Estate

24 * * *

25 We have read the Stipulation and Agreement and have
26 discussed it with our attorneys and its terms are understood by

27 FILE NO. H-4790 SAC

- 19 -

FIRST CHOICE, INC.
SHASTA FUN, INC.,
KATHLEEN KING, and
LINDA WILLIAMSON

1 us and are agreeable and acceptable to us. We understand that we
2 are waiving rights given to us by the California Administrative
3 Procedure Act (including but not limited to Sections 11506,
4 11508, 11509, and 11513 of the Government Code), and we
5 willingly, intelligently, and voluntarily waive those rights,
6 including the right of requiring the Commissioner to prove the
7 allegations in the Accusation at a hearing at which we would have
8 the right to cross-examine witnesses against us and to present
9 evidence in defense and mitigation of the charges.

10

11

12

FIRST CHOICE, INC., Respondent

13

4-5-08

By:

Linda Williamson

14

DATED

LINDA WILLIAMSON

Designated Officer - Broker

15

16

4/21/08

17

DATED

Kathleen King

KATHLEEN KING, Respondent

18

19

SHASTA FUN, INC., Respondent

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4-5-08

21

DATED

By:

Linda Williamson

22

LINDA WILLIAMSON

Designated Officer - Broker

23

24

4-5-08

25

DATED

Linda Williamson

LINDA WILLIAMSON, Respondent

26

* * *

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FILE NO. H-4790 SAC

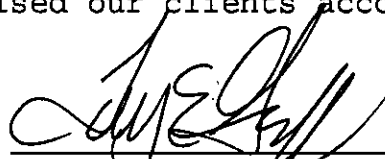
- 20 -

FIRST CHOICE, INC.
SHASTA FUN, INC.,
KATHLEEN KING, and
LINDA WILLIAMSON

1 We have reviewed the Stipulation and Agreement as to
2 form and content and have advised our clients accordingly.

3
4 April 28, 2008

5 DATED



6
7 TORY E. GRIFFIN
8 Attorney for Respondent KING

9
10 9 April 2008

11 DATED



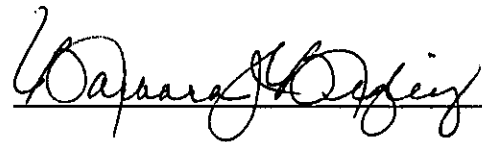
12 STEPHEN L. RAMAZZINI
13 Attorney for Respondents FCI, SFI,
14 and WILLIAMSON

15 * * *

16 The foregoing Stipulation and Agreement is hereby
17 adopted by me as my Decision in this matter and shall become
18 effective at 12 o'clock noon on September 24, 2008.

19 IT IS SO ORDERED 8/17, 2008.

20 JEFF DAVI
21 Real Estate Commissioner



22 BY: Barbara J. Bigby
23 Chief Deputy Commissioner

1 MARY F. CLARKE, Counsel (SBN 186744)
Department of Real Estate
2 P. O. Box 187000
Sacramento, CA 95818-7000

3
4 Telephone: (916) 227-0791
-or- (916) 227-0780 (Direct)
5

FILED
JUN 13 2007

DEPARTMENT OF REAL ESTATE

By K. Contreras

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

11 * * *

12 In the Matter of the Accusation of)
13)
14 FIRST CHOICE, INC.,)
A Corporation,)
15 SHASTA FUN, INC.,) NO. H-4790 SAC
A Corporation,)
16 KATHLEEN KING, and,) ACCUSATION
LINDA WILLIAMSON,)
17 Respondents.)

18 The Complainant, CHARLES W. KOENIG, a Deputy Real
19 Estate Commissioner of the State of California, for cause of
20 Accusation against FIRST CHOICE, INC., a Corporation (herein
21 "FCI"), SHASTA FUN, INC., a Corporation (herein "SFI"), KATHLEEN
22 KING (herein "KING"), and LINDA WILLIAMSON (herein "WILLIAMSON")
23 (collectively "Respondents"), is informed and alleges as follows:

24 I

25 The Complainant, CHARLES W. KOENIG, a Deputy Real
26 Estate Commissioner of the State of California, makes this
27 Accusation in his official capacity.

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II

At all times mentioned herein Respondents FCI, SFI, KING, and WILLIAMSON were and now are licensed or have license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (herein "Code").

III

At all times herein mentioned:

- (a) to and until February 18, 2005, Respondent FCI was licensed by the Department of Real Estate of the State of California (herein "the Department") as a corporate real estate broker by and through Respondent KING as designated officer-broker of FCI to qualify said corporation and to act for said corporation as a real estate broker;
- (b) from and after February 19, 2005, Respondent FCI was and now is so licensed by and through Respondent WILLIAMSON as designated officer-broker of Respondent FCI to qualify said corporation and to act for said corporation as a real estate broker;
- (c) Respondent KING was licensed by the Department as a real estate broker, individually, and, to and until February 18, 2005, as designated officer of Respondent FCI;
- (d) Respondent WILLIAMSON was licensed by the Department as a real estate broker, individually, and, from and after February 18, 2005, as designated officer of Respondent FCI; and,

1 (e) as such designated officer, both Respondents KING
2 and WILLIAMSON were, respectively, responsible
3 pursuant to the provisions of Sections 10159.2 of
4 the Code for the activities of Respondent FCI for
5 which a real estate license is required.

6 IV

7 At all times mentioned herein from and after May 24,
8 2005, Respondent SFI was and now is licensed by the Department
9 as corporate real estate broker by and through WILLIAMSON as
10 designated officer-broker of SFI to qualify said corporation and
11 to act for said corporation as a real estate broker.

12 V

13 Whenever reference is made in an allegation in this
14 Accusation to an act or omission of Respondent FCI, or Respondent
15 SFI, such allegation shall be deemed to mean that the officers,
16 directors, employees, agents and/or real estate licensees
17 employed by or associated with such corporate Respondents,
18 including but not necessarily limited to Respondents KING and
19 WILLIAMSON, committed such act or omission while engaged in the
20 furtherance of the business or operations of such corporate
21 Respondent and while acting within the course and scope of their
22 authority and employment.

23 FIRST CAUSE OF ACCUSATION

24 VI

25 At all times herein mentioned the corporate Respondent
26 FCI, personally and in association with the individual
27 Respondents KING and WILLIAMSON, engaged in the business of,

1 acted in the capacity of, advertised, or assumed to act as real
2 estate brokers within the State of California within the meaning
3 of Sections 10131(b) of the Code, including the operation and
4 conduct of a property management business with the public
5 wherein, on behalf of others, for compensation or in expectation
6 of compensation, such corporate and individual Respondents leased
7 or rented and offered to lease or rent, and placed for rent, and
8 solicited listings of places for rent, and solicited for
9 prospective tenants of real property or improvements thereon,
10 and collected rents from real property or improvements thereon.

11 VII

12 In so acting as real estate brokers, as described in
13 Paragraph VI, above, the corporate Respondent FCI, personally and
14 by and through the individual Respondents KING and WILLIAMSON,
15 accepted or received funds in trust (herein "trust funds") from
16 or on behalf of owners and tenants in connection with the
17 leasing, renting, and collection of rents on real property or
18 improvements thereon, as alleged herein, and thereafter from
19 time to time made, or caused to be made, disbursements of said
20 funds.

21 VIII

22 The aforesaid trust funds accepted or received by such
23 Respondents were deposited or caused to be deposited by such
24 Respondents into one or more bank accounts (herein "trust fund
25 accounts") maintained by the corporate Respondent FCI, personally
26 and by and through the individual Respondents KING and
27 WILLIAMSON, for the handling of trust funds at the Mount Shasta

1 branch of the Tri-Counties Bank, including but not necessarily
2 limited to the following accounts:

3 (a) the "First Choice, Inc., Mount Shasta Property
4 Management/General Account", account number 268001931 (herein
5 "Bank Account #1"); and

6 (b) the "First Choice, Inc., Mount Shasta Property
7 Management/Security Deposit Bank", account number 268001943
8 (herein "Bank Account #2").

9 IX

10 During the three year period next preceding the filing
11 of the Accusation herein, in the course of the property management
12 and trust fund activities described above, Respondents FCI, KING
13 and WILLIAMSON:

14 (a) failed to keep a columnar record in chronological
15 sequence of all trust funds received and disbursed from Bank
16 Account #1 and Bank Account #2 containing all the information
17 required by Section 2831 of Chapter 6, Title 10, California Code
18 of Regulations (herein "the Regulations");

19 (b) failed to keep a separate record for each
20 beneficiary or transaction for Bank Account #1 and Bank Account
21 #2 containing all the information required by Section 2831.1 of
22 the Regulations;

23 (c) failed, with respect to Bank Account #1 and
24 Bank Account #2 to reconcile, at least once a month, the
25 balance of all separate beneficiary or transaction records with
26 the record of trust funds received and disbursed from such
27 accounts;

1 (d) failed to place trust funds entrusted to
2 Respondent FCI into the hands of a principal on whose behalf the
3 funds were received, into a neutral escrow depository, or into a
4 trust fund account in the name of Respondent FCI as trustee at a
5 bank or other financial institution, in conformance with the
6 requirements of Section 10145 of the Code and Section 2832(a) of
7 the Regulations, in that Respondents placed such funds in Bank
8 Account #1 and Bank Account #2, each an account that was not in
9 the name of Respondent FCI as trustee;

10 (e) caused, suffered, or permitted the balance of
11 funds in:

- 12 (1) Bank Account #1 to be reduced to an amount which
13 as of July 29, 2004, was approximately \$1,799.82
14 less than the aggregate liability of Respondent
15 FCI to all owners of such funds, without the prior
16 written consent of the owners of such funds;
- 17 (2) Bank Account #1 to be reduced to an amount which
18 as of August 29, 2004, was approximately
19 \$18,482.46 less than the aggregate liability of
20 Respondent FCI to all owners of such funds,
21 without the prior written consent of the owners
22 of such funds;
- 23 (3) Bank Account #2 to be reduced to an amount which
24 as of July 29, 2004, was approximately \$11,008.65
25 less than the aggregate liability of Respondent
26 FCI to all owners of such funds, without the prior
27 written consent of the owners of such funds; and

1 (4) Bank Account #2 to be reduced to an amount which
2 as of August 29, 2004, was approximately \$9,408.55
3 less than the aggregate liability of Respondent
4 FCI to all owners of such funds, without the prior
5 written consent of the owners of such funds; and
6 (f) commingled funds owned by Respondents in Bank
7 Account #1 and Bank Account #2 with owners of funds held in trust
8 by Respondents.

9 X

10 Respondent KING failed to exercise reasonable
11 supervision over the acts of FCI in such a manner as to allow the
12 acts and omissions on the part of FCI described above, to occur.

13 SECOND CAUSE OF ACCUSATION

14 XI

15 Each and every allegation in Paragraphs I through V,
16 inclusive, above, are incorporated herein by this reference.

17 XII

18 At all times herein mentioned the corporate Respondent
19 SFI, personally, and in association with Respondent WILLIAMSON
20 engaged in the business of, acted in the capacity of, advertised,
21 or assumed to act as real estate brokers within the State of
22 California within the meaning of Sections 10131(b) of the Code,
23 including the operation and conduct of a property management
24 business with the public wherein, on behalf of others, for
25 compensation or in expectation of compensation, Respondents
26 leased or rented and offered to lease or rent, and placed for
27 rent, and solicited listings of places for rent, and solicited

1 for prospective tenants of real property or improvements thereon,
2 and collected rents from real property or improvements thereon.

3 XIII

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

11 XIV

12 The aforesaid trust funds accepted or received by
13 Respondents SFI and WILLIAMSON were deposited or caused to be
14 deposited by Respondents into one or more bank trust fund
15 accounts maintained by Respondents for the handling of trust
16 funds at Mount Shasta, California, branch of Bank of America,
17 including but not necessarily limited to:

18 (a) "SHASTA FUN, INC.", account number 06506-40057
19 (herein "Bank Account #1a");

20 (b) "SHASTA FUN, LLC", account number 06504-05182
21 (herein "Bank Account #2a"); and

22 (c) "Shasta Fun, Inc.", account number 06501-40083
23 (herein "Bank Account #3a").

24 XV

25 On or about between August 30, 2004, and on or about
26 June 30, 2005, in connection with the collection and disbursement
27 of said trust funds, Respondents SFI and WILLIAMSON:

1 (a) failed to keep a columnar record in chronological
2 sequence of all trust funds received and disbursed from Bank
3 Account #1a, Bank Account #2a, and Bank Account #3a, containing
4 all the information required by Section 2831 of the Regulations;

5 (b) failed to keep a separate record for each
6 beneficiary or transaction for Bank Account #1a, Bank Account
7 #2a, and Bank Account #3a, containing all the information
8 required by Section 2831.1 of the Regulations;

9 (c) failed to reconcile at least once a month, the
10 balance of all separate beneficiary or transaction records with
11 Bank Account #1a, Bank Account #2a, and Bank Account #3a, as
12 required by Section 2831.2 of the Regulations;

13 (d) failed to place trust funds entrusted to
14 Respondents into the hands of a principal on whose behalf the
15 funds were received, into a neutral escrow depository, or into a
16 trust fund account in the name of Respondent SFI as trustee at a
17 bank or other financial institution, in conformance with the
18 requirements of Section 10145 of the Code and Section 2832(a) of
19 the Regulations, in that Respondents SFI and WILLIAMSON placed
20 such funds into Bank Account #1a, Bank Account #2a, and Bank
21 Account #3a, accounts that were not in the name of Respondent SFI
22 as trustee;

23 (e) caused, suffered, or permitted the balance of
24 funds in:

- 25 (1) Bank Accounts #1a and #2a to be combined and to be
26 reduced to an amount, which, as of June 30, 2005,
27 was approximately \$1,373.88 less than the

1 aggregate liability of Respondent SFI to all
2 owners of such funds, without the prior written
3 consent of the owners of such funds; and

4 (2) Bank Account #3a to be reduced to an amount,
5 which, as of June 30, 2005, was approximately
6 \$8,805.66 less than the aggregate liability of
7 Respondent SFI to all owners of such funds,
8 without the prior written consent of the owners
9 of such funds;

10 (f) authorized Gina Green, an unlicensed person
11 without fidelity bond coverage, to make withdrawals from Bank
12 Account #1a, Bank Account #2a, and Bank Account #3a, in violation
13 of Section 2834 of the Regulations; and

14 (g) caused, suffered, or permitted money of others
15 which was received and held by Respondent SFI as trustee in Bank
16 Account #1a and Bank Account #2a to be commingled with
17 Respondents' monies belonging to Respondent SFI and WILLIAMSON,
18 in violation of Section 2835 of the Regulations.

19 XVI

20 Respondent WILLIAMSON failed to exercise reasonable
21 supervision over the acts of SFI in such a manner as to allow the
22 acts and omissions on the part of SFI described above, to occur.

23 XVII

24 The facts alleged in the First Cause of Accusation,
25 above, are grounds for the suspension or revocation of the
26 licenses and license rights of Respondents under the following
27 provisions of the Code and/or the Regulations:

1 (a) as to Paragraph IX(a) and Respondents FCI, KING and
2 WILLIAMSON under Section 10145 of the Code and Section 2831 of
3 the Regulations in conjunction with Section 10177(d) of the Code;

4 (b) as to Paragraph IX(b) and Respondents FCI, KING and
5 WILLIAMSON under Section 10145 of the Code and Section 2831.1 of
6 the Regulations in conjunction with Section 10177(d) of the Code;

7 (c) as to Paragraph IX(c) and Respondents FCI, KING
8 and WILLIAMSON under Section 10145 of the Code and Section 2831.2
9 of the Regulations in conjunction with Section 10177(d) of the
10 Code;

11 (d) as to Paragraph IX(d) and Respondents FCI, KING
12 and WILLIAMSON under Section 10145 of the Code and Section 2832
13 of the Regulations in conjunction with Section 10177(d) of the
14 Code;

15 (e) as to Paragraph IX(e) and Respondents FCI, KING
16 and WILLIAMSON under Section 10145 of the Code and Section 2832.1
17 of the Regulations in conjunction with Section 10177(d) of the
18 Code;

19 (f) as to Paragraph IX(f) and Respondents FCI, KING
20 and WILLIAMSON under Section 10176(e) of the Code; and

21 (g) as to Paragraph X and Respondent KING under
22 Section 10177(g) and/or Section 10177(h) of the Code and Section
23 10159.2 of the Code in conjunction with Section 10177(d) of the
24 Code.

25 XVII

26 The facts alleged above in the Second Cause of
27 Accusation are grounds for the suspension or revocation of the

1 licenses and license rights of Respondents SFI and WILLIAMSON
2 under the following provisions of the Code and/or the Regulations:
3 (a) as to Paragraph XV(a) under Section 10145 of the
4 Code and Section 2831 of the Regulations in conjunction with
5 Section 10177(d) of the Code;
6 (b) as to Paragraph XV(b) under Section 10145 of the
7 Code and Section 2831.1 of the Regulations in conjunction with
8 Section 10177(d) of the Code;
9 (c) as to Paragraph XV(c) under Section 10145 of the
10 Code and Section 2831.2 of the Regulations in conjunction with
11 Section 10177(d) of the Code;
12 (d) as to Paragraph XV(d) under Section 10145 of the
13 Code and Section 2832 of the Regulations in conjunction with
14 Section 10177(d) of the Code;
15 (e) as to Paragraph XV(e) and Respondents SFI, and
16 WILLIAMSON under Section 10145 of the Code and Section 2832.1 of
17 the Regulations in conjunction with Section 10177(d) of the Code;
18 (f) as to Paragraph XV(f) under Section 10145 of the
19 Code and Section 2834 of the Regulations in conjunction with
20 Section 10177(d) of the Code;
21 (g) as to Paragraph XV(g) under Section 10145 of
22 the Code and Section 2835 of the Regulations in conjunction with
23 Section 10177(d) of the Code; and,
24 (h) as to Paragraph XVI and Respondent WILLIAMSON
25 under Section 10177(g) and/or Section 10177(h) of the Code and
26 Section 10159.2 of the Code in conjunction with Section 10177(d)
27 of the Code.

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


CHARLES W. KOENIG
Deputy Real Estate Commissioner

Dated at Sacramento, California
this 14th day of May, 2007.