

**FILED**

**AUG 02 2023**

**DEPT. OF REAL ESTATE**

By \_\_\_\_\_



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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of

H-05325-SD

THE GRIFFON MANAGEMENT  
GROUP INC., and VERONICA ANN  
HOLLENBAUGH, individually and as  
designated officer of The Griffon  
Management Group Inc.,

**STIPULATION AND AGREEMENT**

Respondents.

It is hereby stipulated and agreed by and between Respondents THE GRIFFON MANAGEMENT GROUP INC. ("TGMGI") and VERONICA ANN HOLLENBAUGH ("HOLLENBAUGH"), individually and as the designated officer of TGMGI, (collectively "Respondents") and their attorney of record, Frank Buda, Esq., and the Complainant, acting by and through Laurence Haveson, Counsel for the Department of Real Estate ("Department"), as follows for the purpose of settling and disposing of the Accusation filed on September 13, 2022 ("Accusation") in this matter:

1. All issues which were to be contested and all evidence which was to be presented by Complainant and Respondents 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 Stipulation and Agreement ("Stipulation").

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

4           3.       On October 4, 2022, Respondents TGMGI and HOLLENBAUGH each filed a  
5 Notice of Defense pursuant to section 11506 of the Government Code for the purpose of requesting  
6 a hearing on the allegations in the Accusation. Respondents hereby freely and voluntarily withdraw  
7 their Notices of Defense. Respondents acknowledge that they understand that by withdrawing their  
8 Notices of Defense, Respondents will thereby waive their right to require the Real Estate  
9 Commissioner (“Commissioner”) to prove the allegations in the Accusation at a contested hearing  
10 held in accordance with the provisions of the APA and that Respondents will waive other rights  
11 afforded to them in connection with the hearing such as the right to present evidence in defense of  
12 the allegations in the Accusation and the right to cross-examine witnesses.

13           4.       This Stipulation is based on the allegations contained in the Accusation. In the  
14 interest of expedience and economy, Respondents choose not to contest these allegations, but to  
15 remain silent and understand that, as a result thereof, these factual allegations, without being  
16 admitted, will serve as a prima facie basis for the disciplinary action stipulated to herein. The Real  
17 Estate Commissioner shall not be required to provide further evidence to prove said factual  
18 allegations.

19           5.       This Stipulation and Respondents’ decision not to contest the Accusation are made  
20 for the purpose of reaching an agreed settlement of this proceeding and are expressly limited to this  
21 proceeding and any other proceeding or case brought by the Department, or another agency of this  
22 state, another state, or the federal government, and otherwise shall not be admissible in any  
23 criminal or civil proceedings.

24           6.       It is understood by the parties that the Real Estate Commissioner may adopt the  
25 Stipulation as his Decision in this matter, thereby imposing the penalty and sanctions on  
26 Respondents’ real estate licenses and license rights as set forth in the below Order. In the event that  
27 the Commissioner in his discretion does not adopt the Stipulation, it shall be void and of no

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1 effect, and Respondents shall retain the right to a hearing and proceeding on the Accusation under  
2 all the provisions of the APA and shall not be bound by any admission or waiver made herein.

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

7 8. Respondents TGMGI and HOLLENBAUGH understand that by agreeing to this  
8 Stipulation, that they agree to pay, jointly or severally, pursuant to Business and Professions Code  
9 Section 10148, the cost of the original audit which led to this disciplinary action. The amount of  
10 said cost is \$7,919.00.

11 9. Respondents TGMGI and HOLLENBAUGH have received, read, and understand  
12 the "Notice Concerning Costs of Subsequent Audit." Respondents further understand that by  
13 agreeing to this Stipulation, the findings set forth below in the Determination of Issues become  
14 final, and the Commissioner may charge Respondent for the cost of any subsequent audit  
15 conducted pursuant to Business and Professions Code Section 10148 to determine if the violations  
16 have been corrected. The maximum cost of the subsequent audit shall not exceed 125% of cost of  
17 the original audit, or \$9,898.75.

18 10. Respondents TGMGI and HOLLENBAUGH understand that by agreeing to this  
19 Stipulation, Respondents TGMGI and HOLLENBAUGH agree to pay, jointly and severally,  
20 pursuant to Business and Professions Code Section 10106, the cost of the investigation and  
21 enforcement of this matter. The amount of the investigation costs is \$2,382.38 and the amount of  
22 the enforcement costs is \$1,939.20, for a total of \$4,321.58.

23 DETERMINATION OF ISSUES

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

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I.

The conduct, acts, and/or omissions of Respondent TGMGI as described in the Accusation, constitute cause for the suspension or revocation of all real estate licenses and license rights of Respondent TGMGI under California Business and Professions Code ("Code") sections 10145, 10176(f), and 10177(g), and Title 10, Chapter 6, California Code of Regulations ("Regulations") sections 2831.1 and 2831.2.

II.

The conduct, acts, and/or omissions of Respondent HOLLENBAUGH, as described in the Accusation, constitute cause for the suspension or revocation of all real estate licenses and license rights of Respondent HOLLENBAUGH under Code sections 10159.2, 10177(g), and 10177(h).

ORDER

I.

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

1. Thirty (30) days of said suspension shall be stayed upon the condition that Respondent TGMGI petitions pursuant to Code Section 10175.2 and pays a monetary penalty pursuant to Code Section 10175.2 at a rate of fifty dollars (\$50.00) for each day of the suspension for a total monetary penalty of \$1,500 (\$50.00 per day X thirty (30) days = \$1,500), and upon the following terms and conditions:

a. Said payment shall be in the form of a cashier's check made payable to the Department of Real Estate. Said check must be delivered to the Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this Decision and Order. **Payment of said monetary penalty should not be made until the Stipulation has been approved by the Commissioner.**

b. No further cause for disciplinary action against the Real Estate license(s) of Respondent TGMGI occurs within two (2) years from the effective date of the Decision and Order in this matter.

1           c.     If Respondent TGMGI fails to pay the monetary penalty in accordance with  
2 the terms and conditions of this Decision and Order, the suspension shall go into effect  
3 automatically. Respondent TGMGI shall not be entitled to any repayment nor credit,  
4 prorated or otherwise, for money paid to the Department under the terms of this Decision  
5 and Order.

6           d.     If Respondent TGMGI pays the monetary penalty and any other monies due  
7 under this Stipulation and Agreement and if no further cause for disciplinary action against  
8 the Real Estate license(s) of Respondent TGMGI occurs within two (2) years from the  
9 effective date of this Decision and Order, the entire stay hereby granted pursuant to this  
10 Decision and Order, shall become permanent.

11           2.     The remaining sixty (60) days of said suspension shall be stayed for two (2) years  
12 upon the following terms and conditions:

13           a.     Respondent TGMGI shall obey all laws, rules and regulations governing the  
14 rights, duties and responsibilities of a real estate licensee in the State of California; and,

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

21           3.     Respondent TGMGI shall pay, severally or jointly with Respondent  
22 HOLLENBAUGH, the sum of \$4,321.58 for the Commissioner's reasonable cost of the  
23 investigation and enforcement which led to this disciplinary action **within one-hundred and**  
24 **eighty (180) days from the effective date of this Decision and Order.** Said payment shall be in  
25 the form of a cashier's check made payable to the Department of Real Estate. **The investigative**  
26 **and enforcement costs must be delivered to the Department of Real Estate, Flag Section at**  
27 **P.O. Box 137013, Sacramento, CA 95813-7013. Payment of investigation and enforcement**  
28 **costs should not be made until the Stipulation has been approved by the Commissioner. If**

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

4 4. Pursuant to section 10148 of the Code, Respondent TGMGI shall pay, severally or  
5 jointly with Respondent HOLLENBAUGH, the sum of \$7,919.00 for the Commissioner's cost of  
6 the audit which led to this disciplinary action. **Respondents shall pay such cost within sixty (60)**  
7 **days of receiving an invoice therefore from the Commissioner. Payment of audit costs should**  
8 **not be made until Respondents receive the invoice.** If Respondents fail to satisfy this condition  
9 in a timely manner as provided for herein, Respondents' real estate licenses shall automatically be  
10 suspended until payment is made in full, or until a decision providing otherwise, is adopted  
11 following a hearing held pursuant to this condition.

12 5. Respondents understand that by agreeing to this Stipulation, the findings set forth  
13 below in the Determination of Issues become final, and the Commissioner may charge Respondents  
14 for the cost of any subsequent audit, if a subsequent audit is conducted, pursuant to Code section  
15 10148 to determine if the violations have been corrected and that Respondents are in compliance  
16 with trust fund handling requirements of the Real Estate Law. The maximum cost of the follow-up  
17 audit will not exceed one-hundred twenty-five percent (125%) of the cost of the original audit; in  
18 the instant case, the cost of the original audit is \$7,919.00 and the maximum cost of the follow-up  
19 audit will not exceed \$9,898.75. Therefore, Respondents may be charged a maximum of \$9,898.75  
20 in the event of a subsequent audit.

21 6. Pursuant to Section 10148 of the Code, Respondents shall pay the Commissioner's  
22 reasonable cost, not to exceed \$9,898.75, for any subsequent audit, if one is performed, to  
23 determine if Respondents have corrected the violations found in the Determination of Issues and  
24 that Respondents are in compliance with trust fund handling requirements of the Real Estate Law.  
25 In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the  
26 estimated average hourly salary for all persons performing audits of real estate brokers, and shall  
27 include an allocation for travel time to and from the auditor's place of work. Respondents shall pay  
28 such cost within sixty (60) days of receiving an invoice therefore from the Commissioner.

1 **Payment of the audit costs should not be made until Respondents receive the invoice.** If

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

5 7. Respondent TGMGI understands that by agreeing to this Stipulation, Respondent  
6 TGMGI shall pay, severally or jointly with Respondent HOLLENBAUGH, the sum of \$1,000.00  
7 as reimbursement to Kari Middleton for the cost of Stater Bros. Markets grocery gift cards that  
8 were provided to tenants of 952 E. 10th Street, Beaumont, California, who were temporarily  
9 displaced during an emergency situation. Such payment shall be made in the form of a cashier's  
10 check, payable to Kari Middleton, and delivered to Kari Middleton on or before the effective date  
11 of this Decision and Order. If Respondent TGMGI fails to satisfy this condition in a timely manner  
12 as provided for herein, Respondent TGMGI's real estate license shall automatically be suspended  
13 until payment is made in full, or until a decision providing otherwise, is adopted following a  
14 hearing held pursuant to this condition.

15 II.

16 All licenses and licensing rights of Respondent HOLLENBAUGH under the Real Estate  
17 Law are suspended for a period of ninety (90) days from the effective date of this Decision and  
18 Order; provided, however, that:

19 1. Thirty (30) days of said suspension shall be stayed upon the condition that  
20 Respondent HOLLENBAUGH petitions pursuant to Code Section 10175.2 and pays a monetary  
21 penalty pursuant to Code Section 10175.2 at a rate of fifty dollars (\$50.00) for each day of the  
22 suspension for a total monetary penalty of \$1,500 (\$50.00 per day X thirty (30) days = \$1,500), and  
23 upon the following terms and conditions:

24 a. Said payment shall be in the form of a cashier's check made payable to the  
25 Department of Real Estate. Said check must be delivered to the Department of Real Estate,  
26 Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date  
27 of this Decision and Order. **Payment of said monetary penalty should not be made until**  
28 **the Stipulation has been approved by the Commissioner.**

1           b.     No further cause for disciplinary action against the Real Estate license(s) of  
2 Respondent HOLLENBAUGH occurs within two (2) years from the effective date of the  
3 Decision and Order in this matter.

4           c.     If Respondent HOLLENBAUGH fails to pay the monetary penalty in  
5 accordance with the terms and conditions of this Decision and Order, the suspension shall  
6 go into effect automatically. Respondent HOLLENBAUGH shall not be entitled to any  
7 repayment nor credit, prorated or otherwise, for money paid to the Department under the  
8 terms of this Decision and Order.

9           d.     If Respondent HOLLENBAUGH pays the monetary penalty and any other  
10 monies due under this Stipulation and Agreement and if no further cause for disciplinary  
11 action against the Real Estate license(s) of Respondent HOLLENBAUGH occurs within  
12 two (2) years from the effective date of this Decision and Order, the entire stay hereby  
13 granted pursuant to this Decision and Order, shall become permanent.

14         2.     The remaining sixty (60) days of said suspension shall be stayed for two (2) years  
15 upon the following terms and conditions:

16           a.     Respondent HOLLENBAUGH shall obey all laws, rules and regulations  
17 governing the rights, duties and responsibilities of a real estate licensee in the State of  
18 California; and,

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

25         3.     Respondent HOLLENBAUGH shall, within six (6) months from the effective date  
26 of this Decision and Order, take and pass the Professional Responsibility Examination administered  
27 by the Department, including the payment of the appropriate examination fee. If Respondent

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1 HOLLENBAUGH fails to satisfy this condition, the Commissioner may order suspension of  
2 Respondent HOLLENBAUGH's license until Respondent passes the examination.

3 4. Respondent HOLLENBAUGH shall pay, severally or jointly with Respondent  
4 TGMGI, the sum of \$4,321.58 for the Commissioner's reasonable cost of the investigation and  
5 enforcement which led to this disciplinary action **within one-hundred and eighty (180) days from**  
6 **the effective date of this Decision and Order.** Said payment shall be in the form of a cashier's  
7 check made payable to the Department of Real Estate. **The investigative and enforcement costs**  
8 **must be delivered to the Department of Real Estate, Flag Section at P.O. Box 137013,**  
9 **Sacramento, CA 95813-7013. Payment of investigation and enforcement costs should not be**  
10 **made until the Stipulation has been approved by the Commissioner.** If Respondents fail to  
11 satisfy this condition in a timely manner as provided for herein, Respondents' real estate licenses  
12 shall automatically be suspended until payment is made in full, or until a decision providing  
13 otherwise is adopted following a hearing held pursuant to this condition.

14 5. Pursuant to section 10148 of the Code, Respondent HOLLENBAUGH shall pay,  
15 severally or jointly with Respondent TGMGI, the sum of \$7,919.00 for the Commissioner's cost of  
16 the audit which led to this disciplinary action. **Respondents shall pay such cost within sixty (60)**  
17 **days of receiving an invoice therefore from the Commissioner. Payment of audit costs should**  
18 **not be made until Respondents receive the invoice.** If Respondents fail to satisfy this condition  
19 in a timely manner as provided for herein, Respondents' real estate licenses shall automatically be  
20 suspended until payment is made in full, or until a decision providing otherwise, is adopted  
21 following a hearing held pursuant to this condition.

22 6. Respondents understand that by agreeing to this Stipulation, the findings set forth  
23 below in the Determination of Issues become final, and the Commissioner may charge Respondents  
24 for the cost of any subsequent audit, if a subsequent audit is conducted, pursuant to Code section  
25 10148 to determine if the violations have been corrected and that Respondents are in compliance  
26 with trust fund handling requirements of the Real Estate Law. The maximum cost of the follow-up  
27 audit will not exceed one-hundred twenty-five percent (125%) of the cost of the original audit; in  
28 the instant case, the cost of the original audit is \$7,919.00 and the maximum cost of the follow-up

1 audit will not exceed \$9,898.75. Therefore, Respondents may be charged a maximum of \$9,898.75  
2 in the event of a subsequent audit.

3 7. Pursuant to Section 10148 of the Code, Respondents shall pay the Commissioner's  
4 reasonable cost, not to exceed \$9,898.75, for any subsequent audit, if one is performed, to  
5 determine if Respondents have corrected the violations found in the Determination of Issues and  
6 that Respondents are in compliance with trust fund handling requirements of the Real Estate Law.  
7 In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the  
8 estimated average hourly salary for all persons performing audits of real estate brokers, and shall  
9 include an allocation for travel time to and from the auditor's place of work. Respondents shall pay  
10 such cost within sixty (60) days of receiving an invoice therefore from the Commissioner.

11 **Payment of the audit costs should not be made until Respondents receive the invoice.** If  
12 Respondents fail to satisfy this condition in a timely manner as provided for herein, Respondents'  
13 real estate licenses shall automatically be suspended until payment is made in full, or until a  
14 decision providing otherwise, is adopted following a hearing held pursuant to this condition.

15 8. Respondent HOLLENBAUGH understands that by agreeing to this Stipulation,  
16 Respondent TGMGI shall pay, severally or jointly with Respondent TGMGI, the sum of \$1,000.00  
17 as reimbursement to Kari Middleton for the cost of Stater Bros. Markets grocery gift cards that  
18 were provided to tenants of 952 E. 10th Street, Beaumont, California, who were temporarily  
19 displaced during an emergency situation. Such payment shall be made in the form of a cashier's  
20 check, payable to Kari Middleton, and delivered to Kari Middleton on or before the effective date  
21 of this Decision and Order. If Respondent HOLLENBAUGH fails to satisfy this condition in a  
22 timely manner as provided for herein, Respondent HOLLENBAUGH's real estate license shall  
23 automatically be suspended until payment is made in full, or until a decision providing otherwise, is  
24 adopted following a hearing held pursuant to this condition.

25  
26 DATED: 06/06/2023

*Laurence D. Haveson*

Digitally signed by  
Laurence D. Haveson

Laurence D. Haveson  
Counsel for Complainant

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2 EXECUTION OF THE STIPULATION

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

10 Respondents can signify acceptance and approval of the terms and conditions of this  
11 Stipulation and Agreement by electronically e-mailing a copy of the signature pages, as actually  
12 signed by Respondents, to the Department. Respondents agree, acknowledge, and understand that  
13 by electronically sending to the Department an electronic copy of Respondents' actual signatures,  
14 as they appear on the Stipulation, that receipt of the emailed copy by the Department shall be as  
15 binding on Respondents as if the Department had received the original signed Stipulation. By  
16 signing this Stipulation, Respondents understand and agree that Respondents may not withdraw  
17 their agreement or seek to rescind the Stipulation prior to the time the Commissioner considers and  
18 acts upon it or prior to the effective date of the Stipulation and Order.

19 MAILING

20 Respondents and their counsel shall, within five (5) business days from signing the  
21 Stipulation, mail the original signed signature page(s) of the Stipulation herein to Laurence  
22 Haveson, Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Room 350, Los  
23 Angeles, California 90013-1105.

24 Respondents' signatures below constitute acceptance and approval of the terms and  
25 conditions of this Stipulation. Respondents agree, acknowledge, and understand that by signing  
26 this Stipulation Respondents are bound by its terms as of the date of such signature and that this

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1 agreement is not subject to rescission or amendment at a later date except by a separate Decision  
2 and Order of the Real Estate Commissioner.

3  
4 DATED: 6-5-2023

5 Respondent THE GRIFFON MANAGEMENT GROUP INC.

6 By (Printed Name):

7 Title: President - Broker

8  
9 DATED: 6-5-2023

10 Respondent VERONICA ANN HOLLENBAUGH

11  
12 DATED: 6-5-23

13  
14 Frank Buda  
15 Attorney for Respondents THE GRIFFON MANAGEMENT  
16 GROUP INC. and VERONICA ANN HOLLENBAUGH  
17 *Approved as to Form*

18 \* \* \*

19 The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by me  
20 as my Decision in this matter and shall become effective at 12 o'clock noon on

21 August 22, 2023.

22 IT IS SO ORDERED 7.27.23, 2023.

23 DOUGLAS R. McCAULEY  
24 REAL ESTATE COMMISSIONER