

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

FILED

NOV 01 2011

DEPARTMENT OF REAL ESTATE
By *[Signature]*

9 BEFORE THE
10 DEPARTMENT OF REAL ESTATE
11 STATE OF CALIFORNIA

12 * * *

13 In the Matter of the Accusation of)

14)
15 CASIE LYN EADDY and,)
16 ROSE MARIE PEASLEY;)

17 Respondents.)
18)

NO. H-5553 SAC

STIPULATION AND AGREEMENT

19 It is hereby stipulated by and between CASIE LYN EADDY (herein "Respondent
20 EADDY"), and the Complainant, acting by and through JASON D. LAZARK, Counsel for the
21 Department of Real Estate (herein "the Department"), as follows, for the purpose of settling and
22 disposing the Accusation filed on February 28, 2011, in this matter:

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

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

4 3. Respondent EADDY filed her Notice of Defense pursuant to section 11505 of
5 the Government Code for the purpose of requesting a hearing on the allegations in this matter.
6 Respondent EADDY hereby freely and voluntarily withdraws said Notice of Defense.
7 Respondent EADDY acknowledges that she understands that by withdrawing said Notice of
8 Defense she will thereby waive her right to require the Real Estate Commissioner (herein "the
9 Commissioner") to prove the allegations in the Accusation at a contested hearing held in
10 accordance with the provisions of the APA, and that she will waive other rights afforded to her in
11 connection with the hearing such as the right to present evidence in defense of the allegations
12 pertaining to her in the Accusation and the right to cross-examine witnesses.

13 4. Respondent EADDY, pursuant to the limitations set forth below, hereby
14 admits that the factual allegations in the Accusation filed in this proceeding are true and correct
15 and the Commissioner shall not be required to provide further evidence to prove such
16 allegations.

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

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

1 related to Respondent EADDY's fitness or capacity as a real
2 estate licensee; and,

3 (b) The restricted license issued to Respondent EADDY may be
4 suspended prior to hearing by Order of the Commissioner on
5 evidence satisfactory to the Commissioner that Respondent
6 EADDY has violated provisions of the California Real Estate
7 Law, the Subdivided Lands Law, Regulations of the Real Estate
8 Commissioner, or conditions attaching to the restricted license.

9 3. Respondent EADDY shall not be eligible to apply for the issuance of an
10 unrestricted real estate license, nor the removal of any of the conditions of the restricted license,
11 until two (2) years have elapsed from the effective date of this Decision.

12 4. Respondent EADDY shall notify the Commissioner in writing within 72 hours
13 of any arrest by sending a certified letter to the Commissioner at the Department of Real Estate,
14 Post Office Box 187000, Sacramento, CA 95818-7000. The letter shall set forth the date of
15 Respondent EADDY's arrest, the crime for which Respondent EADDY was arrested and the
16 name and address of the arresting law enforcement agency. Respondent EADDY's failure to
17 timely file written notice shall constitute an independent violation of the terms of the restricted
18 license and shall be grounds for the suspension or revocation of that license.

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

24 6. Respondent EADDY shall, within nine (9) months from the effective date of
25 this Decision, present evidence satisfactory to the Commissioner that Respondent EADDY has,
26 since the most recent issuance of an original or renewal real estate license, taken and successfully
27 completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate

1 Law for renewal of a real estate license. If Respondent EADDY fails to satisfy this condition,
2 the Commissioner may order the suspension of the restricted license until Respondent EADDY
3 presents such evidence. The Commissioner shall afford Respondent EADDY the opportunity for
4 hearing pursuant to the Administrative Procedure Act to present such evidence.
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11 9/19/11

12 DATED

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JASON D. LAZARK
Counsel for Complainant

28 I have read the Stipulation and Agreement and its terms are understood by me and
29 are agreeable and acceptable to me. I understand that I am waiving rights given to me by the
30 California APA, and I willingly, intelligently and voluntarily waive those rights, including the
31 right of requiring the Commissioner to prove the allegations as to me in the Accusation at a
32 hearing at which I would have the right to cross-examine witnesses against me and to present
33 evidence in defense and mitigation of the charges.

34 Respondent EADDY can signify acceptance and approval of the terms and
35 conditions of this Stipulation and Agreement by faxing a copy of the signature page, as actually
36 signed by Respondent EADDY, to the Department at fax number (916) 227-9458. Respondent
37 EADDY agrees, acknowledges and understands that by electronically sending to the Department
38 a fax copy of his actual signature as it appears on the Stipulation and Agreement, that receipt of

1 the faxed copy by the Department shall be as binding on Respondent EADDY as if the
2 Department had received the original signed Stipulation and Agreement.

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5 9-13-2011

6 DATED

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CASIE LYN EADDY
Respondent

9 The foregoing Stipulation and Agreement is hereby adopted as my Decision and
10 shall become effective at 12 o'clock noon on NOV 21 2011

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12 IT IS SO ORDERED 10/13/11

13 BARBARA J. BIGBY
14 Acting Real Estate Commissioner

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1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 187007
3 Sacramento, CA 95818-7007
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DEPARTMENT OF REAL ESTATE

By *[Signature]*

9 BEFORE THE
10 DEPARTMENT OF REAL ESTATE
11 STATE OF CALIFORNIA

12 * * *

13 In the Matter of the Accusation of)

14)
15) CASIE LYN EADDY and,
16) ROSE MARIE PEASLEY,

17) Respondents.
18)

NO. H-5553 SAC

STIPULATION AND AGREEMENT

19 It is hereby stipulated by and between ROSE MARIE PEASLEY
20 (herein "Respondent PEASLEY") and her attorney J. ANNE RAWLINS, and the Complainant,
21 acting by and through JASON D. LAZARK, Counsel for the Department of Real Estate (herein
22 "the Department"), as follows, for the purpose of settling and disposing the Accusation filed on
23 February 28, 2011, in this matter:

24 1. All issues which were to be contested and all evidence which was to be
25 presented by Complainant and Respondent PEASLEY at a formal hearing on the Accusation,
26 which hearing was to be held in accordance with the provisions of the Administrative Procedure
27

1 Act (herein "the APA"), shall instead and in place thereof be submitted solely on the basis of the
2 provisions of this Stipulation and Agreement.

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

6 3. Respondent PEASLEY filed her Notice of Defense pursuant to section 11505
7 of the Government Code for the purpose of requesting a hearing on the allegations in this matter.
8 Respondent PEASLEY hereby freely and voluntarily withdraws said Notice of Defense.
9 Respondent PEASLEY acknowledges that she understands that by withdrawing said Notice of
10 Defense she will thereby waive her right to require the Real Estate Commissioner (herein "the
11 Commissioner") to prove the allegations in the Accusation at a contested hearing held in
12 accordance with the provisions of the APA, and that she will waive other rights afforded to her in
13 connection with the hearing such as the right to present evidence in defense of the allegations
14 pertaining to her in the Accusation and the right to cross-examine witnesses.

15 4. Respondent PEASLEY, pursuant to the limitations set forth below, hereby
16 admits that the factual allegations in the Accusation filed in this proceeding are true and correct
17 and the Commissioner shall not be required to provide further evidence to prove such
18 allegations.

19 5. It is understood by the parties that the Commissioner may adopt the
20 Stipulation and Agreement as her decision in this matter thereby imposing the penalty and
21 sanctions on Respondent PEASLEY's real estate license and license rights as set forth in the
22 below Order. In the event that the Commissioner in her discretion does not adopt the Stipulation
23 and Agreement, it shall be void and of no effect, and Respondent PEASLEY shall retain the right
24 to a hearing and proceeding on the Accusation under all the provisions of the APA and shall not
25 be bound by any admission or waiver made herein.

26 ///

27 ///

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

5 * * *

6 DETERMINATION OF ISSUES

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

10 The acts and/or omissions of Respondent PEASLEY as described in the
11 Accusation violate the following provisions of the California Business and Professions Code
12 (herein "the Code"):

13 (a) Section 10176.5(a) of the Code; and

14 (b) Section 10177(g) of the Code.

15 * * *

16 ORDER

17 1. The real estate sales license and license rights of Respondent PEASLEY are
18 hereby revoked; provided, however, a restricted real estate sales license shall be issued to
19 Respondent PEASLEY pursuant to section 10156.6 of the Code, if Respondent PEASLEY
20 makes application therefore and pays to the Department the appropriate fee for said license
21 within ninety (90) days from the effective date of this Decision.

22 2. The restricted license issued to Respondent PEASLEY shall be subject to all
23 of the provisions of section 10156.7 of the Code and to the following limitations, conditions, and
24 restrictions imposed under authority of section 10156.6 of the Code:

25
26 (a) The restricted license issued to Respondent PEASLEY may be

27 suspended prior to hearing by Order of the Commissioner in the

1 event of Respondent PEASLEY's conviction (including by plea
2 of guilty or nolo contendere) to a crime which is substantially
3 related to Respondent PEASLEY's fitness or capacity as a real
4 estate licensee; and,

- 5 (b) The restricted license issued to Respondent PEASLEY may be
6 suspended prior to hearing by Order of the Commissioner on
7 evidence satisfactory to the Commissioner that Respondent
8 PEASLEY has violated provisions of the California Real Estate
9 Law, the Subdivided Lands Law, Regulations of the Real Estate
10 Commissioner, or conditions attaching to the restricted license.

11 3. Respondent PEASLEY shall not be eligible to apply for the issuance of an
12 unrestricted real estate license, nor the removal of any of the conditions of the restricted license,
13 until two (2) years have elapsed from the effective date of this Decision.

14 4. Respondent PEASLEY shall notify the Commissioner in writing within 72
15 hours of any arrest by sending a certified letter to the Commissioner at the Department of Real
16 Estate, Post Office Box 187000, Sacramento, CA 95818-7000. The letter shall set forth the date
17 of Respondent PEASLEY's arrest, the crime for which Respondent PEASLEY was arrested and
18 the name and address of the arresting law enforcement agency. Respondent PEASLEY's failure
19 to timely file written notice shall constitute an independent violation of the terms of the restricted
20 license and shall be grounds for the suspension or revocation of that license.

21 5. Respondent PEASLEY shall, within six (6) months from the issuance of
22 the restricted license, take and pass the Professional Responsibility Examination administered
23 by the Department, including the payment of the appropriate examination fee. If Respondent
24 PEASLEY fails to satisfy this condition, the Commissioner may order the suspension of the
25 restricted license until Respondent PEASLEY passes the examination.

26 6. Respondent PEASLEY shall, within nine (9) months from the effective date
27 of this Decision, present evidence satisfactory to the Commissioner that Respondent PEASLEY

1 has, since the most recent issuance of an original or renewal real estate license, taken and
2 successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the
3 Real Estate Law for renewal of a real estate license. If Respondent PEASLEY fails to satisfy
4 this condition, the Commissioner may order the suspension of the restricted license until
5 Respondent PEASLEY presents such evidence. The Commissioner shall afford Respondent
6 PEASLEY the opportunity for hearing pursuant to the Administrative Procedure Act to present
7 such evidence.
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14 9/15/11

15 DATED

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JASON D. LAZARK
Counsel for Complainant

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

25 Respondent PEASLEY can signify acceptance and approval of the terms and
26 conditions of this Stipulation and Agreement by faxing a copy of the signature page, as actually
27 signed by Respondent PEASLEY, to the Department at fax number (916) 227-9458. Respondent

1 PEASLEY agrees, acknowledges and understands that by electronically sending to the
2 Department a fax copy of his actual signature as it appears on the Stipulation and Agreement,
3 that receipt of the faxed copy by the Department shall be as binding on Respondent PEASLEY
4 as if the Department had received the original signed Stipulation and Agreement.

5
6 September 12, 2011
7 DATED

8 Rose Marie Peasley
9 ROSE MARIE PEASLEY
Respondent

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

12
13
14 9.13.2011
15 DATED

16 J. Anne Rawlins
17 J. ANNE RAWLINS
Attorney for Respondent

18 * * *

19 The foregoing Stipulation and Agreement is hereby adopted as my Decision and
20 shall become effective at 12 o'clock noon on NOV 21 2011

21 IT IS SO ORDERED 10/13/11

22 BARBARA J. BIGBY
23 Acting Real Estate Commissioner

24 Barbara J. Bigby
25
26
27

FILED
FEB 28 2011

JASON D. LAZARK, Counsel (SBN 263714)
Department of Real Estate
P. O. Box 187007
Sacramento, CA 95818-7007
Office: (916) 227-0789
Direct: (916) 227-0822

DEPARTMENT OF REAL ESTATE

By [Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of)	
)	No. H- 5553 SAC
CASIE LYN EADDY, and)	
ROSE MARIE PEASLEY,)	<u>ACCUSATION</u>
)	
Respondents.)	

The Complainant, TRICIA D. SOMMERS, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against CASIE LYN EADDY (herein "Respondent EADDY") dba Re/Max Coastal Redwoods, and ROSE MARIE PEASLEY (herein "Respondent PEASLEY") (collectively referred to herein as "Respondents"), is informed and alleges as follows:

1.

At all times herein mentioned, Respondent EADDY was and now is licensed by the State of California Department of Real Estate (herein "the Department") as a real estate broker.

2.

At all times herein mentioned, Respondent PEASLEY was licensed in the employ of Respondent EADDY and was and is licensed by the Department as a real estate

1 salesperson.

2 3.

3 At all times herein mentioned, Respondents engaged in the business of, acted in
4 the capacity of, advertised, or assumed to act as real estate brokers within the State of California
5 within the meaning of Section 10131(a) of the Business and Professions Code (herein "the
6 Code"), including the operation and conduct of a real estate resale brokerage with the public
7 wherein, on behalf of others, for compensation or in expectation of compensation, Respondents
8 sold and offered to sell, bought and offered to buy, solicited prospective sellers and purchasers
9 of, solicited and obtained listings of, and negotiated the purchase and resale of real property.

10 4.

11 On or about July 27, 2007, Respondent PEASLEY caused to be listed for sale
12 real property located at 300 Maiden Lane, Crescent City, California 95531 (herein "Subject
13 Property"). In the course of listing the Subject Property for sale, Respondent PEASLEY caused
14 the Subject Property to be advertised on the Multiple Listing Service (herein "MLS") as a
15 "remodeled duplex" consisting of a one two-bedroom unit, a separate one-bedroom unit and a
16 shop area with a loft.

17 5.

18 Between about January and March, 2008, in the course of Respondents
19 PEASLEY'S real estate salesperson activities, Respondent PEASLEY acted as a dual sales
20 agent in the purchase and sale of the Subject Property. As the dual agent, Respondent
21 PEASLEY represented both the buyer, Jeff Miller (herein "Miller") and the seller, John Hadley
22 (herein "Hadley") in the transaction.

23 6.

24 Respondent PEASLEY had previously served as the real estate salesperson who
25 represented either or both the buyer and seller of the Subject Property on two transactions prior
26 to the transaction that is the subject of this Accusation.

27 ///

1 7.

2 On or about January 21, 2008, Respondent PEASLEY prepared on Miller's
3 behalf a Residential Purchase Agreement which constituted Miller's offer to purchase the
4 Subject Property for \$200,000. The offer included a pest inspection report contingency and a
5 60 day escrow period.

6 8.

7 January 22, 2008, Respondent PEASLEY prepared on Hadley's behalf Counter
8 Offer # One which stated that seller is selling the property "as is" and that the buyer may obtain
9 a pest inspection report at no expense to the seller. Respondent PEASLEY did not obtain
10 Hadley's signature on the counter offer.

11 9.

12 On January 23, 2008, Respondent PEASLEY obtained approval and signatures
13 from both Hadley and Miller which constituted Miller's acceptance of Hadley's Counter Offer #
14 One.

15 10.

16 Between January 24 and January 27, 2008, Respondent PEASLEY presented
17 Miller with the following disclosure forms: Water Heater and Smoke Detector Statement of
18 Compliance; Lead-Based Paint Hazards Disclosure; Natural Hazards Disclosure Statement;
19 Supplemental Statutory and Contractual Disclosures; Confirmation Real Estate Agency
20 Relationships. Also between January 24 and January 27, 2008, Miller, Hadley and PEASLEY
21 reviewed and signed the above-listed forms.

22 11.

23 At all times mentioned herein, Respondent PEASLEY failed to provide Miller or
24 Hadley with a Transfer Disclosure Statement as required by section 1102 et seq. of the
25 California Civil Code. Furthermore, prior to the cancellation of the 60 day escrow period,
26 Respondent PEASLEY failed to inform Miller in writing that he had right to obtain a Transfer
27 Disclosure Statement from Hadley and Respondent PEASLEY. Additionally, Respondent

1 PEASLEY failed to inform Miller that he had the right to cancel the contract due to Transfer
2 Disclosure Statement not being completed by Hadley and Respondent PEASLEY.

3 12.

4 On or about March 13, 2008, EADDY completed or caused to be completed
5 regarding the Subject Property, a form entitled "RE/MAX COASTAL REDWOODS CLOSED
6 TRANSACTION CHECKLIST: 3/13/08." The checklist listed the dates in which Respondent
7 PEASLEY obtained the listing agreement, purchase agreement/counter offer and various
8 disclosures. Regarding the executed disclosures section, the check-off line for the Transfer
9 Disclosure Statement was marked "N/A".

10 13.

11 On or about March 24, 2008, escrow closed on the Subject Property.

12 14.

13 On or about September, 2008, Miller obtained building permits for the Subject
14 Property to add two garage doors and move the electrical panel. On December, 2008 a County
15 building officer went out to the subject property to review the electrical work completed on the
16 Subject Property and became suspicious of the legality of the duplex on the Subject Property.
17 The building officer then discovered that no residential conversion permits were on file with the
18 County regarding the Subject Property.

19 15.

20 On June 1, 2009, the County sent Miller a letter indicating that the Subject
21 Property was found to be lacking permits for any residential conversions that may have taken
22 place in the past, and therefore, the duplex at that address was not a legal, recognized use.
23 Thereafter, Miller expended approximately \$66,000 to bring the units in line with the building
24 codes to allow the Subject Property to serve as a duplex as originally advertised by Respondent
25 PEASLEY.

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1 right under sections 10176(a), (b), (c) and (i), 10176.5(a), and/or 10177(g) and/or (j) of the
2 California Business and Professions Code (herein "the Code").

3 SECOND CAUSE OF ACTION

4 (As to Respondent EADDY)

5 21.

6 There is hereby incorporated in this first, separate and distinct cause of action, all
7 of the allegations contained in Paragraphs 1 through 20, inclusive, of the Accusation with the
8 same force and effect as if herein fully set forth.

9 22.

10 Respondent EADDY owed a duty to Miller to ensure that a Respondent
11 PEASLEY and Hadley completed a Transfer Disclosure Statement providing details about the
12 Subject Property.

13 23.

14 Respondent EADDY's failure to ensure that Respondent PEASLEY and Hadley
15 completed a Transfer Disclosure Statement constituted a breach of the duty Respondent
16 EADDY owed to Miller.

17 24.

18 Furthermore, as a real estate broker, Respondent EADDY was at all times
19 mentioned herein responsible pursuant to section 2725 of title 10, chapter 6 of the California
20 Code of Regulations (herein "the Regulations") for the reasonable supervision of the activities
21 of her agents, real estate licensees, and employees.

22 25.

23 At all times mentioned herein, Respondent EADDY failed to exercise reasonable
24 supervision over the acts of Respondent PEASLEY in such a manner as to allow the acts and/or
25 omissions on the part of Respondent PEASLEY, as described above.

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26.

The acts and/or omissions of Respondent EADDY, as alleged above, constitute grounds for the revocation or suspension of Respondent EADDY's licenses and/or license right under section 2725 of the Regulations, and sections 10176(a), (b), (c) and (i), 10176.5(a), and/or 10177(g) and/or (j) and 10177(h) of the Code.

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 Respondent under the Real Estate Law, and for such other and further relief as may be proper under the provisions of law.


TRICIA D. SOMMERS
Deputy Real Estate Commissioner

Dated at Sacramento, California,
this 25th day of February, 2011.