

FILED

FEB 16 2024

DEPT. OF REAL ESTATE

By

[REDACTED]

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation Against) DRE No. H-05754 SD
)
MELROY ASSET MANAGEMENT INC;)
VIDA KAREN MELROY, individually and as)
Designated Officer of Melroy Asset Management Inc,)
)
Respondents.)

ORDER NUNC PRO TUNC
CORRECTING CLERICAL ERROR

It having been called to the attention of the Real Estate Commissioner that there was a clerical error in the Stipulation and Agreement in Settlement and Order filed on January 19, 2024, in the above-entitled matter to become effective January 16, 2024, and good cause appearing therefor, the following correction is made to the Order pursuant to California Government Code section 11517(c)(2). The effective date of January 16, 2024, is corrected to be February 8, 2024.

This Order shall become effective immediately.

IT IS SO ORDERED 2/13/24.

CHIKA SUNQUIST
REAL ESTATE COMMISSIONER

[REDACTED]

By: Marcus L. McCarther
Chief Deputy Real Estate Commissioner

1 2. Respondent received, read and understands the Statement to Respondent, the
2 Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate
3 ("Department") in this proceeding.

4 3. Respondent filed a Notice of Defense pursuant to Section 11506 of the
5 Government Code for the purpose of requesting a hearing on the allegations in the Accusation.
6 Respondent hereby freely and voluntarily withdraws said Notice of Defense. Respondent
7 acknowledges that Respondent understands that by withdrawing said Notice of Defense
8 Respondent thereby waives Respondent's right to require the Commissioner to prove the
9 allegations in the Accusation at a contested hearing held in accordance with the provisions of the
10 APA and that Respondent will waive other rights afforded to Respondent in connection with the
11 hearing such as the right to present evidence in their defense, and the right to cross-examine
12 witnesses.

13 4. Respondent hereby admits that the factual allegations of the Accusation filed
14 in this proceeding are true and correct and the Real Estate Commissioner shall not be required to
15 provide further evidence of such allegations.

16 5. This Stipulation is made for the purpose of reaching an agreed disposition of
17 this proceeding and is expressly limited to this proceeding and not any other proceeding or case
18 in which the Department, or another licensing agency of this state, another state, or the federal
19 government is involved, and otherwise shall not be admissible in any criminal or civil
20 proceeding.

21 6. It is understood by the parties that the Real Estate Commissioner may adopt
22 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on
23 Respondents' real estate licenses and license rights as set forth in the below "Order." In the event
24 that the Commissioner in his discretion does not adopt the Stipulation, the Stipulation shall be
25 void and of no effect and Respondent shall retain the right to a hearing and proceed on the
26 Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver
27 made herein.

1 7. The Order or any subsequent Order of the Real Estate Commissioner made
2 pursuant to this Stipulation 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 DETERMINATION OF ISSUES

6 By reason of the foregoing, it is stipulated and agreed that the following
7 determination of issues shall be made:

8 The conduct, acts or omissions of Respondent, as set forth in the Accusation, are
9 in violation of Sections 10145, and 10159.2 of the California Business and Professions Code
10 (“Code”) and Sections 2831, 2831.1, 2831.2, 2832.1, and 2832 of Title 10, Chapter 6 of the
11 California Code of Regulations (“Regulations”) and are a basis for discipline of Respondent’s
12 licenses and licensing rights pursuant to Code sections 10177(d), 10177(g), and/or 10177(h).

13
14 ORDER

15 WHEREFORE, THE FOLLOWING ORDER is hereby made:

16 I.

17 All licenses and license rights of Respondent VIDA KAREN MELROY under the
18 Real Estate Law are revoked; provided, however, a restricted real estate broker license shall be
19 issued to Respondent pursuant to Section 10156.5 of the Code if Respondent makes application
20 therefor and pays to the Department the appropriate fee for the restricted license within 90 days
21 from the effective date of this Decision and Order. The restricted license issued to Respondent
22 shall be subject to all of the provisions of Section 10156.7 of the Code and to the following
23 limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

24 1. The restricted license issued to Respondent may be suspended prior to hearing
25 by Order of the Commissioner in the event of Respondent’s conviction or plea of nolo
26 contendere to a crime which is substantially related to Respondent’s fitness or capacity as a real
27 estate licensee.

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

6 3. Respondent shall not be eligible to petition for the issuance of any unrestricted
7 real estate license nor for removal of any of the conditions, limitations or restrictions of a
8 restricted license until two (2) years have elapsed from the effective date of this Decision and
9 Order. Respondent shall not be eligible to apply for any unrestricted licenses until all restrictions
10 attaching to the license have been removed.

11 4. Respondent, if employed as a broker-associate, shall submit with any
12 application for license under an employing broker or any application for transfer to a new
13 employing broker, a statement signed by the prospective employing real estate broker on a form
14 approved by the Department which shall certify:

15 (a) That the employing broker has read the Decision of the Commissioner
16 which granted the right to a restricted license; and

17 (b) That the employing broker will exercise close supervision over the
18 performance by the restricted licensee relating to activities for which a real estate license is
19 required.

20 (AUDIT COSTS)

21 II.

22 Pursuant to Code section 10148, Respondent shall pay Respondent's
23 proportionate share of the Commissioner's reasonable costs for the audit which led to this
24 disciplinary action. The total amount of said audit costs is \$9,983.51. Respondent agrees to pay
25 \$4,991.75 (\$9,983.51 ÷ 2 respondents) as her proportionate share of the total cost of the audit.
26 Respondent shall pay such costs within sixty (60) days of receiving an invoice therefore from the
27 Commissioner. Payment of the audit costs should not be made until Respondent receives the

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

5 III.

6 Pursuant to Code section 10148 of the Code, Respondent shall pay the
7 Commissioner's reasonable costs, not to exceed \$12,479.39, for a subsequent audit to determine
8 if Respondent has corrected the violations found in the Determination of Issues. In calculating
9 the amount of the Commissioner's reasonable costs, the Commissioner may use the estimated
10 average hourly salary for all persons performing audits of real estate brokers, and shall include
11 an allocation for travel time to and from the auditor's place of work. Respondent shall pay such
12 costs within sixty (60) days of receiving an invoice therefore from the Commissioner. Payment
13 of the audit costs should not be made until Respondent receives the invoice. If Respondent fails
14 to satisfy this condition in a timely manner as provided for herein, Respondent's real estate
15 license shall automatically be suspended until payment is made in full, or until a decision
16 providing otherwise is adopted following a hearing held pursuant to this condition.

17 (INVESTIGATION and ENFORCEMENT COSTS)

18 IV.

19 Respondent shall pay Respondent's proportionate share of the Commissioner's
20 reasonable costs of the investigation (\$516.75) and enforcement (\$739.20) which led to this
21 disciplinary action. The total amount of said investigation and enforcement costs is \$1,255.95.
22 Respondent agrees to pay \$627.98 ($\$1,255.95 \div 2$ respondents) as her proportionate share of the
23 total cost. Said payment shall be in the form of a cashier's check made payable to the
24 Department of Real Estate. The payment for the investigative and enforcement costs must be
25 delivered to the Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA
26 95813-7013, prior to the effective date of this Decision and Order. If Respondent fails to pay the
27 costs of the investigation and enforcement in accordance with the terms and conditions of the


1 Decision and Order, all licenses and license rights of Respondent shall be automatically
2 suspended unless or until Respondent pays the costs of the investigation and enforcement.
3 Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money
4 paid to the Department under the terms of this Decision and Order.

5 (TRUST FUND COURSE)

6 V.

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

17
18 DATED: 12/1/2023

19 
Judith A. Buranday, Counsel for
Department of Real Estate

20 * * *

21 EXECUTION OF THE STIPULATION

22 I have read the Stipulation and its terms are understood by me and are agreeable
23 and acceptable to me. I understand that I am waiving rights given to me by the California
24 Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and
25 11513 of the Government Code), and I willingly, intelligently and voluntarily waive those rights,
26 including the right of requiring the Commissioner to prove the allegations in the Accusation at a
27 hearing at which I would have the right to cross-examine witnesses against me and to present


evidence in defense and mitigation of the charges.

Respondent shall mail the original signed signature page of the stipulation herein to Judith B. Vasan, Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105.


In the event of time constraints before an administrative hearing, Respondent can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by emailing a scanned copy of the signature page, as actually signed by Respondent, to the Department counsel assigned to this case. Respondent agrees, acknowledges and understands that by electronically sending the Department a scan of Respondent's actual signature as it appears on the Stipulation and Agreement that receipt of the scan by the Department shall be binding on Respondent as if the Department had received the original signed Stipulation. Respondent shall also mail the original signed signature page of this Stipulation to the Department counsel.

Respondent's signature below constitutes acceptance and approval of the terms and conditions of this Stipulation. Respondent agrees, acknowledges and understands that by signing this Stipulation, Respondent is bound by its terms as of the date of such signatures and that this agreement is not subject to rescission or amendment at a later date except by a separate Decision and Order of the Real Estate Commissioner.

DATED: 11/30/2023


VIDA KAREN MELROY
Respondent

DATED: 11/30/2023


Frank J. Polek, Esq.
Counsel for Respondents
Approved as to Form


* * *

1 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
2 Respondent VIDA KAREN MELROY and shall become effective at 12 o'clock noon on

3 1/16/24

4 IT IS SO ORDERED FEB - 8 2024

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6 CHIKA SUNQUIST
REAL ESTATE COMMISSIONER

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10 By: **MARCUS McCARTHER**
Chief Deputy Real Estate Commissioner

FILED

JAN 19 2024

DEPT. OF REAL ESTATE

By

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation Against:) DRE No. H-05754 SD
)
) MELROY ASSET MANAGEMENT INC;)
) VIDA KAREN MELROY, individually and as)
) Designated Officer of Melroy Asset Management Inc,)
)
) Respondent.)

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On May 18, 2023, an Accusation was filed in this matter against Respondent
MELROY ASSET MANAGEMENT INC ("Respondent").

On November 30, 2023, Respondent petitioned the Commissioner to voluntarily
surrender its real estate broker license pursuant to Section 10100.2 of the Business and Professions
Code.

IT IS HEREBY ORDERED that Respondent MELROY ASSET MANAGEMENT
INC's petition for voluntary surrender of its real estate broker license is accepted as of the effective
date of this Order as set forth below, based upon the understanding and agreement expressed in
Respondent's Declaration dated November 30, 2023, (attached as Exhibit "A" hereto).
Respondent's license certificate and pocket card shall be sent to the below-listed address so that
they reach the Department of Real Estate on or before the effective date of this Order:

DEPARTMENT OF REAL ESTATE

Attention: Licensing Flag Section

P. O. Box 137013

Sacramento, CA 95813-7013

This Order shall become effective at 12 o'clock noon on

FEB - 8 2024

DATED:

1/16/24

CHIKA SUNQUIST

REAL ESTATE COMMISSIONER

By:  **MARCUS McCARTHER**

Chief Deputy Real Estate Commissioner

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8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation Against)
12) DRE No. H-05754 SD
13 **MELROY ASSET MANAGEMENT INC;**)
14 VIDA KAREN MELROY, individually and as)
Designated Officer of Melroy Asset Management)
15 Inc,)
16 Respondents.)
17)
18)
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17 DECLARATION

18 My name is Vida Karen Melroy and I am currently licensed as a restricted real estate
19 broker and/or have license rights with respect to such license. I am the designated officer of
20 MELROY ASSET MANAGEMENT INC (MAMI) which is currently licensed as a corporate real
21 estate broker and/or has license rights with respect to said license. I am authorized and empowered
22 to sign this declaration on behalf of MAMI. I am acting on behalf of MAMI in this matter. MAMI
23 is represented by Frank J. Polek, Attorney at Law.

24 In lieu of proceeding in this matter in accordance with the provisions of the
25 Administrative Procedure Act (Sections 11400 et seq., of the Government Code), MAMI wishes to
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27

1 voluntarily surrender its real estate license issued by the Department of Real Estate ("Department"),
2 pursuant to Business and Professions Code Section 10100.2.

3 Respondent MAMI understands that by voluntarily surrendering its license, it may be
4 relicensed by the Department only by petitioning for reinstatement pursuant to Section 11522 of the
5 Government Code. MAMI also understand that by so voluntarily surrendering its license, it agrees
6 to the following:

7 1. The filing of this Declaration shall be deemed as MAMI's petition for
8 voluntary surrender.

9 2. It shall also be deemed to be an understanding and agreement by MAMI that
10 it waives all rights it has to require the Commissioner to prove the allegations contained in the
11 Accusation filed in this matter at a hearing held in accordance with the provisions of the
12 Administrative Procedure Act (Government Code Sections 11400 et seq.), and that it also waives
13 other rights afforded to it in connection with the hearing such as the right to discovery, the right to
14 present evidence in defense of the allegations in the Accusation and the right to cross-examine
15 witnesses.

16 3. MAMI further agrees that upon acceptance by the Commissioner, as
17 evidenced by an appropriate order, all affidavits and all relevant evidence obtained by the
18 Department in this matter prior to the Commissioner's acceptance, and all allegations contained in
19 the Accusation filed in the Department Case No. H-05754 SD, may be considered by the
20 Department to be true and correct for the purpose of deciding whether to grant re-licensure or
21 reinstatement pursuant to Government Code Section 11522.

22 4. MAMI is aware that if it petitions for reinstatement in the future, the
23 payment of its proportionate share of \$627.98 for the Commissioner's reasonable costs of the
24 investigation and enforcement in this matter will be a condition of reinstatement.


25 5. MAMI is aware that if it petitions for reinstatement in the future, the
26 payment of its proportionate share of \$4,991.75 for the Commissioner's reasonable costs of the
27

1 audit in this matter will be a condition of reinstatement.

2 6. MAMI further understands that it may petition for reinstatement after a
3 period of not less than one (1) year has elapsed from the effective date of the Decision accepting its
4 surrender.

5 7. MAMI freely and voluntarily surrenders all its licenses and license rights
6 under the Real Estate Law.

7
8 I declare under penalty of perjury under the laws of the State of California that the
9 above is true and correct and that this declaration was executed November 30, 2023, at
10 San Diego, California.

11
12 
13 ID 5nBdvUgrv2vXShwBS5brKiy
14 MELROY ASSET MANAGEMENT INC
15 By: Vida Karen Melroy
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