

1 BUREAU OF REAL ESTATE  
2 P. O. Box 137007  
3 Sacramento, CA 95813-7007  
4 Telephone: (916) 263-8670

FILED  
JUN 08 2015  
BUREAU OF REAL ESTATE  
By L. Frost

8 BEFORE THE BUREAU OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of: ) Case No. H-6119 SAC  
12 )  
13 G A R O PROPERTY EXPERTS, ) STIPULATION AND AGREEMENT  
14 GARY RONALD FORNFEIST, and, ) IN SETTLEMENT AND ORDER  
15 JENNIFER L. KRINGS, )  
16 Respondents. )

17 It is hereby stipulated by and between Respondents G A R O PROPERTY  
18 EXPERTS ("GARO"), GARY RONALD FORNFEIST ("FORNFEIST") and JENNIFER L.  
19 KRINGS ("KRINGS"), all of whom are acting by and through counsel Michael A. Fluetsch,  
20 and the Complainant, acting by and through Jason D. Lazark, Counsel for the Bureau of Real  
21 Estate, as follows for the purpose of settling and disposing of the Accusation filed on  
22 April 30, 2014, in this matter:

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

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

4                   3. On or about May 9, 2014, Respondents filed Notices of Defense pursuant to  
5 Section 11505 of the Government Code for the purpose of requesting a hearing on the  
6 allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said  
7 Notices of Defense. Respondents acknowledge that they understand that by withdrawing said  
8 Notices of Defense they will thereby waive their rights to require the Commissioner to prove  
9 the allegations in the Accusation at a contested hearing held in accordance with the provisions  
10 of the APA and that they will waive other rights afforded to them in connection with the  
11 hearing such as the right to present evidence in defense of the allegations in the Accusation and  
12 the right to cross-examine witnesses.

13                   4. Respondents, pursuant to the limitations set forth below, hereby admit that  
14 the factual allegations or findings of fact as set forth in the Accusation filed in this proceeding  
15 are true and correct and the Real Estate Commissioner shall not be required to provide further  
16 evidence of such allegations.

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

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

1                   7. FORNFEIST and GARO understand that by agreeing to this Stipulation and  
2 Agreement, FORNFEIST and GARO agree to jointly and severally pay, pursuant to Section  
3 10148 of the California Business and Professions Code ("the Code"), for the costs of Bureau of  
4 Real Estate ("Bureau") Audit No. SC 12-0025 which resulted in the determination that  
5 FORNFEIST committed the trust fund violations found in the Determination of Issues. The  
6 amount of such costs is \$5,341.75.

7                   8. FORNFEIST and GARO further understand that by agreeing to this  
8 Stipulation and Agreement, the findings set forth below in the Determination of Issues become  
9 final, and that the Commissioner may charge FORNFEIST and GARO, jointly and severally, for  
10 the costs of any audit conducted pursuant to Section 10148 of the Code to determine if the  
11 violations have been corrected and hold FORNFEIST and GARO jointly and severally  
12 responsible for paying the costs of the follow up audit to Bureau Audit No. SC 12-0025. The  
13 maximum costs of said audit shall not exceed \$5,341.75.

14                   9. FORNFEIST and GARO further understand that by agreeing to this  
15 Stipulation and Agreement, FORNFEIST and GARO agree to jointly and severally pay for the  
16 costs of Bureau Audit No. SC-12-0062 which resulted in the determination that KRINGS  
17 committed the violations found in the Determination of Issues. The amount of such costs is  
18 \$2,263.75.

19                   10. FORNFEIST and GARO further understand that by agreeing to this  
20 Stipulation and Agreement, the findings set forth below in the Determination of Issues become  
21 final, and that the Commissioner may charge FORNFEIST and GARO for the costs of any audit  
22 conducted pursuant to Section 10148 of the Code to determine if the violations have been  
23 corrected and hold FORNFEIST and GARO jointly and severally responsible for paying the  
24 costs of the follow up audit to Bureau Audit No. SC-12-0062. The maximum costs of said audit  
25 shall not exceed \$2,263.75.

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1 11. FORNFEIST and GARO understand that by agreeing to this Stipulation and  
2 Agreement, FORNFEIST and GARO agree to be responsible for jointly and severally paying,  
3 pursuant to Section 10106 of the Code, the costs of the investigation and enforcement of this  
4 case which resulted in the determination that Respondents committed the violations found in the  
5 Determination of Issues. The amount of such costs is \$4,466.00.

6 DETERMINATION OF ISSUES

7 By reason of the foregoing stipulations, admissions and waivers, and solely for  
8 the 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 I.

11 The acts and omissions of GARO, as described in the Accusation, are grounds for  
12 the suspension or revocation of the licenses and license rights of GARO under the provisions of  
13 Sections 10177(d) and 10177(g) of the Code, in conjunction with Sections 10145 and 10145(g)  
14 of the Code, and Sections 2715, 2731, 2831, 2831.2, 2832, 2832.1, and 2834 of Title 10 of the  
15 California Code of Regulations (“the Regulations”).

16 II.

17 The acts and omissions of FORNFEIST, as described in the Accusation, are  
18 grounds for the suspension or revocation of the licenses and license rights of FORNFEIST under  
19 the provisions of Sections 10177(g), 10177(h), and 10177(d) of the Code.

20 III.

21 The acts and omissions of KRINGS, as described in the Accusation, are grounds  
22 for the suspension or revocation of the licenses and license rights of KRINGS under the  
23 provisions of Sections 10130, 10177(d), and 10176(i) of the Code.

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1 ORDER

2 I. AS TO GARO

3 All licenses and licensing rights of GARO under the Real Estate Law are  
4 suspended for a period of thirty (30) days from the effective date of this Order; provided,  
5 however, that:

6 1. Fifteen (15) days of said suspension shall be stayed upon the condition that  
7 GARO petitions pursuant to Section 10175.2 of the Code and pays a monetary penalty pursuant  
8 to Section 10175.2 of the Code, at a rate of \$50 for each day of the suspension, for a total  
9 monetary penalty of \$750.00.

10 a. Said payment shall be in the form of a cashier's check made payable to  
11 the Bureau of Real Estate. Said check must be delivered to the Bureau of Real Estate, Flag  
12 Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this  
13 Order.

14 b. No further cause for disciplinary action against the real estate license  
15 of GARO occurs within two (2) years from the effective date of the Order in this matter.

16 c. If GARO fails to pay the monetary penalty in accordance with the  
17 terms and conditions of the Decision, the Commissioner may, without a hearing, order the  
18 immediate execution of all or any part of the stayed suspension, in which event, GARO shall not  
19 be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Bureau  
20 under the terms of this decision.

21 d. If GARO pays the monetary penalty, and if no further cause for  
22 disciplinary action against the real estate license of GARO occurs within two (2) years from  
23 the effective date of the Decision herein, then the stay hereby granted shall become permanent.

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

26 a. GARO shall obey all laws, rules and regulations governing the rights,  
27 duties and responsibilities of a real estate licensee in the State of California, and

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

7                   II. AS TO FORNFEIST

8                   All licenses and licensing rights of FORNFEIST under the Real Estate Law are  
9 revoked; provided, however, a restricted real estate broker license shall be issued to  
10 FORNFEIST pursuant to Section 10156.5 of the Code if FORNFEIST makes application  
11 therefore and pays to the Bureau the appropriate fee for the restricted license within 90 days from  
12 the effective date of this Decision.

13                   1. The restricted license issued to FORNFEIST shall be subject to all of the  
14 provisions of Section 10156.7 of the Code as to the following limitations, conditions and  
15 restrictions imposed under authority of Section 10156.6 of that Code:

16                   (a) The restricted license issued to FORNFEIST shall be suspended prior to  
17                   hearing by Order of the Commissioner in the event of FORNFEIST's  
18                   conviction (including by plea of guilty or nolo contendere) to a crime  
19                   which is substantially related to FORNFEIST's fitness or capacity as a real  
20                   estate licensee; and,

21                   (b) The restricted license issued to FORNFEIST shall be suspended prior to  
22                   hearing by Order of the Commissioner on evidence satisfactory to the  
23                   Commissioner that FORNFESIT has violated provisions of the California  
24                   Real Estate Law, the Subdivided Lands Law, Regulations of the Real  
25                   Estate Commissioner, or conditions attaching to the restricted license.

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

4                    3. FORNFESIT shall notify the Commissioner in writing within 72 hours of any  
5 arrest by sending a certified letter to the Commissioner at the Bureau of Real Estate, Post Office  
6 Box 137000, Sacramento, CA 95813-7000. The letter shall set forth the date of FORNFEIST's  
7 arrest, the crime for which FORNFEIST was arrested and the name and address of the arresting  
8 law enforcement agency. FORNFEIST's failure to timely file written notice shall constitute an  
9 independent violation of the terms of the restricted license and shall be grounds for the  
10 suspension or revocation of that license.

11                    5. FORNFEIST shall, within nine (9) months from the effective date of this  
12 Order, present evidence satisfactory to the Commissioner that FORNFEIST has, since the most  
13 recent issuance of an original or renewal real estate license, taken and successfully completed the  
14 continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal  
15 of a real estate license. If FORNFEIST fails to satisfy this condition, FORNFEIST's real estate  
16 license shall automatically be suspended until FORNFEIST presents evidence satisfactory to the  
17 Commissioner of having taken and successfully completed the continuing education  
18 requirements. Proof of completion of the continuing education courses must be delivered to the  
19 Bureau of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013.

20                    6. FORNFEIST shall, within six (6) months from the effective date of this  
21 Order, take and pass the Professional Responsibility Examination administered by the Bureau,  
22 including the payment of the appropriate examination fee. If FORNFEIST fails to satisfy this  
23 condition, FORNFEIST's real estate license shall automatically be suspended until  
24 FORNFEIST passes the examination.

25                    7. All licenses and licensing rights of FORNFEIST are indefinitely suspended  
26 unless or until FORNFEIST provides proof satisfactory to the Commissioner, of having taken  
27 and successfully completed the continuing education course on trust fund accounting and

1 handling specified in paragraph (3) of subdivision (a) of Section 10170.5 of the Business and  
2 Professions Code. Proof of satisfaction of this requirement includes evidence that  
3 FORNFEIST has successfully completed the trust fund accounting and handling continuing  
4 education course no earlier than 120 days prior to the effective date of the Order in this matter.  
5 Proof of completion of the trust fund accounting and handling course must be delivered to the  
6 Bureau of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, or by  
7 fax at 916-263-8758, prior to the effective date of this Order.

8 8. All licenses and licensing rights of FORNFEIST are indefinitely suspended  
9 unless and until FORNFEIST provides proof satisfactory to the Commissioner, of having taken  
10 and successfully completed the continuing education course on risk management specified in  
11 paragraph (5) of subdivision (a) of Section 10170.5 of the Business and Professions Code. Proof  
12 of satisfaction of this requirement includes evidence that FORNFEIST has successfully  
13 completed the risk management continuing education course no earlier than 120 days prior to the  
14 effective date of the Order in this matter. Proof of completion of the risk management course  
15 must be delivered to the Bureau of Real Estate, Flag Section at P.O. Box 137013, Sacramento,  
16 CA 95813-7013, or by fax at 916-263-8758, prior to the effective date of this Order.

### 17 III. AS TO KRINGS

18 1. All licenses and licensing rights of KRINGS under the Real Estate Law are  
19 revoked; provided, however, a restricted real estate salesperson license shall be issued to  
20 KRINGS pursuant to Section 10156.5 of the Code if KRINGS makes application therefore and  
21 pays to the Bureau the appropriate fee for the restricted license within 90 days from the effective  
22 date of this Decision.

23 2. The restricted license issued to KRINGS shall be subject to all of the  
24 provisions of Section 10156.7 of the Code as to the following limitations, conditions and  
25 restrictions imposed under authority of Section 10156.6 of that Code:

26 (a) The restricted license issued to KRINGS shall be suspended prior to

27 hearing by Order of the Commissioner in the event of KRINGS'



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

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

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

12 4. KRINGS shall notify the Commissioner in writing within 72 hours of any  
13 arrest by sending a certified letter to the Commissioner at the Bureau of Real Estate, Post Office  
14 Box 137000, Sacramento, CA 95813-7000. The letter shall set forth the date of KRINGS' arrest,  
15 the crime for which KRINGS was arrested and the name and address of the arresting law  
16 enforcement agency. KRINGS' failure to timely file written notice shall constitute an  
17 independent violation of the terms of the restricted license and shall be grounds for the  
18 suspension or revocation of that license.

19 5. With any application for license under any employing broker, or any  
20 application for transfer to a new employing broker, KRINGS shall submit a statement signed by  
21 the prospective employing real estate broker on a form approved by the Bureau which shall  
22 certify as follows:

23 (a) That the employing broker has read the Decision of the Commissioner  
24 which is the basis for the right to a restricted license; and

25 (b) That the employing broker will carefully review all transaction  
26 documents prepared by KRINGS and otherwise exercise close supervision  
27 over KRINGS' performance of acts for which a real estate license is

1 required.

2 6. KRINGS shall, within nine (9) months from the effective date of this Order,  
3 present evidence satisfactory to the Commissioner that KRINGS has, since the most recent  
4 issuance of an original or renewal real estate license, taken and successfully completed the  
5 continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal  
6 of a real estate license. If KRINGS fails to satisfy this condition, KRINGS' real estate license  
7 shall automatically be suspended until KRINGS presents evidence satisfactory to the  
8 Commissioner of having taken and successfully completed the continuing education  
9 requirements. Proof of completion of the continuing education courses must be delivered to the  
10 Bureau of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013.

11 7. KRINGS shall, within six (6) months from the effective date of this Order,  
12 take and pass the Professional Responsibility Examination administered by the Bureau,  
13 including the payment of the appropriate examination fee. If KRINGS fails to satisfy this  
14 condition, KRINGS' real estate license shall automatically be suspended until KRINGS passes  
15 the examination.

16 IV. AS TO BOTH FORNFEIST and GARO

17 1. All licenses and licensing rights of FORNFEIST and GARO are indefinitely  
18 suspended unless or until FORNFEIST and GARO, jointly and severally, pay the sum of  
19 \$4,466.00 for the Commissioner's reasonable costs of the investigation and enforcement which  
20 led to this disciplinary action. Said payment shall be in the form of a cashier's check or  
21 certified check made payable to the Bureau of Real Estate. The investigative and enforcement  
22 costs must be delivered to the Bureau of Real Estate, Flag Section at P.O. Box 137013,  
23 Sacramento, CA 95813-7013, prior to the effective date of this Order.

24 2. Pursuant to Section 10148 of the Code, FORNFEIST and GARO shall  
25 jointly and severally pay the sum of \$5,341.75 for the Commissioner's cost of Bureau Audit  
26 No. SC 12-0025 which led to this disciplinary action. FORNFEIST and GARO shall jointly  
27 and severally pay such cost within sixty (60) days of receiving an invoice therefore from the

1 Commissioner. Payment of these audit costs should not be made until FORNFEIST and  
2 GARO receive the invoice from the Commissioner. If FORNFEIST and GARO fail to satisfy  
3 this condition in a timely manner as provided herein, the real estate licenses of FORNFEIST  
4 and GARO shall automatically be suspended until payment is made in full, or until a decision  
5 providing otherwise is adopted following a hearing held pursuant to this condition.

6 3. Pursuant to Section 10148 of the Code, FORNFEIST and GARO shall  
7 jointly and severally pay the Commissioner's reasonable costs, not to exceed \$5,341.75, for the  
8 follow-up audit to Bureau Audit No. SC 12-0025, to determine if FORNFEIST and GARO  
9 have corrected the violations found in the Determination of Issues. In calculating the amount  
10 of the Commissioner's reasonable costs, the Commissioner may use the average hourly salary  
11 for all persons performing audits of real estate brokers, and shall include an allocation for  
12 travel time to and from the auditor's place of work. FORNFEIST and GARO shall jointly and  
13 severally pay such costs within sixty (60) days of receiving an invoice therefore from the  
14 Commissioner. Payment of the audit costs should not be made until FORNFEIST and GARO  
15 receive the invoice from the Commissioner. If FORNFEIST and GARO fail to satisfy this  
16 condition in a timely manner as provided for herein, the real estate licenses of FORNFEIST  
17 and GARO shall automatically be suspended until payment is made in full, or until a decision  
18 providing otherwise is adopted following a hearing held pursuant to this condition.

19 4. Pursuant to Section 10148 of the Code, FORNFEIST and GARO shall  
20 jointly and severally pay the sum of \$2,263.75 for the Commissioner's cost of Bureau Audit  
21 No. SC 12-0062 which led to this disciplinary action. FORNFEIST and GARO shall jointly  
22 and severally pay such cost within sixty (60) days of receiving an invoice therefore from the  
23 Commissioner. Payment of these audit costs should not be made until FORNFEIST and  
24 GARO receive the invoice from the Commissioner. If FORNFEIST and GARO fail to satisfy  
25 this condition in a timely manner as provided herein, the real estate licenses of FORNFEIST  
26 and GARO shall automatically be suspended until payment is made in full, or until a decision  
27 providing otherwise is adopted following a hearing held pursuant to this condition.

1 5. Pursuant to Section 10148 of the Code, FORNFEIST and GARO shall  
2 jointly and severally pay the Commissioner's reasonable costs, not to exceed \$2,263.75, for the  
3 follow-up audit to Bureau Audit No. SC 12-0062 to determine if FORNFEIST and GARO  
4 have corrected the violations found in the Determination of Issues. In calculating the amount  
5 of the Commissioner's reasonable costs, the Commissioner may use the average hourly salary  
6 for all persons performing audits of real estate brokers, and shall include an allocation for  
7 travel time to and from the auditor's place of work. FORNFEIST and GARO shall jointly and  
8 severally pay such costs within sixty (60) days of receiving an invoice therefore from the  
9 Commissioner. Payment of the audit costs should not be made until FORNFEIST and GARO  
10 receive the invoice from the Commissioner. If FORNFEIST and GARO fail to satisfy this  
11 condition in a timely manner as provided for herein, the real estate licenses of FORNFEIST  
12 and GARO shall automatically be suspended until payment is made in full, or until a decision  
13 providing otherwise is adopted following a hearing held pursuant to this condition.

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16 3-19-15

17 DATED

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JASON D. LAZARK, Counsel  
Bureau of Real Estate


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


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3-18-15

DATED


  
GARY RONALD FORNFEIST  
Respondent

DATED

  
GARY RONALD FORNFEIST  
Designated Officer for Respondent  
G A R O PROPERTY EXPERTS.

3-19-15

DATED

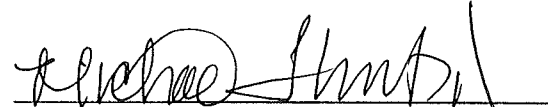
  
JENNIFER L. KRINGS  
Respondent

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

3-19-15

DATED

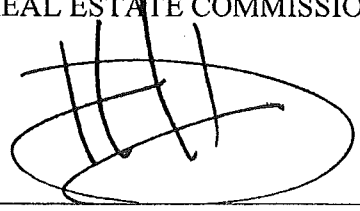
  
MICHAEL A. FLUETSCH  
Attorney for Respondents,  
G A R O PROPERTY EXPERTS,  
GARY RONALD FORNFEIST, and  
JENNIFER L. KRINGS

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The foregoing Stipulation and Agreement is hereby adopted as my Decision in this matter and shall become effective at 12 o'clock noon on **JUN 30 2015**

IT IS SO ORDERED APRIL 22, 2015

REAL ESTATE COMMISSIONER



By: JEFFREY MASON  
Chief Deputy Commissioner