

1 BUREAU OF REAL ESTATE
2 P. O. Box 137007
3 Sacramento, CA 95813-7007

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FILED

JUN 19 2017

BUREAU OF REAL ESTATE
By B. Nicholas

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8
9 BEFORE THE BUREAU OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of) BRE No. H-6437 SAC
13)
14 LAGUAN EUGENE LEA and)
LEA PANNELL REALTY, INC.,)
15) STIPULATION AND AGREEMENT
Respondents.) IN SETTLEMENT AND ORDER
16)

17 It is hereby stipulated by and between LAGUAN EUGENE LEA (LEA), LEA
18 PANNELL REALTY, INC. (LPR), collectively Respondents, their counsel, Osby Davis, and the
19 Complainant, acting by and through Richard K. Uno, Counsel for the Bureau of Real Estate
20 (Bureau); as follows for the purpose of settling and disposing of the Accusation filed on
21 September 14, 2016, in this matter:

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

27 2. Respondents have received, read, and understands the Statement to

1 Respondent, the Discovery Provisions of the APA and the Accusation filed by the Bureau of Real
2 Estate in this proceeding.

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

12 4. This Stipulation is based on the factual allegations contained in the
13 Accusation. In the interest of expediency and economy, Respondents chose not to contest these
14 factual allegations, but to remain silent and understands that, as a result thereof, these factual
15 statements will serve as a prima facie basis for the "Determination of Issues" and "Order" set
16 forth below. The Commissioner shall not be required to provide further evidence to prove such
17 allegations.

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

25 6. The Order or any subsequent Order of the Commissioner made pursuant to
26 this Stipulation shall not constitute an estoppel, merger, or bar to any further administrative or
27 civil proceedings by the Bureau of Real Estate with respect to any matters which were not

1 specifically alleged to be causes for accusation in this proceeding.

2 7. Respondents understand that by agreeing to this Stipulation, Respondents
3 agrees to pay, pursuant to Section 10148 of the Code, the cost of the audit which resulted in the
4 violation(s) found in the Determination of Issues. The amount of such costs is \$7,907.65.

5 9. Respondents further understand that by agreeing to this Stipulation, the
6 findings set forth below in the "Determination of Issues" become final, and that the
7 Commissioner may charge said Respondents for the costs of any audit conducted pursuant to
8 Section 10148 of the Code to determine if the violations have been corrected. The maximum
9 cost of said audit shall not exceed \$9,884.56.

10 10. Respondents understand that by agreeing to this Stipulation and
11 Agreement in Settlement and Order, Respondents agree to pay, jointly and severally, pursuant to
12 Section 10106 of the Code, the cost of the investigation and enforcement which resulted in the
13 determination that Respondents committed the violations found in the Determination of Issues.
14 The amount of said costs is \$1,330.45.

14 DETERMINATION OF ISSUES

15 By reason of the foregoing stipulations, admissions and waivers, and solely for
16 the purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed
17 that the acts and/or omissions of Respondents, as described in the Accusation, constitute grounds
18 for the suspension or revocation of the licenses and license rights of Respondents under the
19 provisions of Sections 2832, 2832.1 and 2834 of the Regulations and Section 10130, 10145,
20 10177(d) and 10177(g) of the Code.

21 ORDER

22 LAGUAN EUGENE LEA

23 All licenses and licensing rights of LEA, under the Real Estate Law are revoked;
24 provided, however, a restricted real estate broker license shall be issued to LEA, pursuant to
25 Section 10156.5 of the Code, if LEA makes application therefore and pays to the Bureau of Real
26 Estate the appropriate fee for the restricted license within 90 days from the effective date of this
27 Stipulation. The restricted license issued to LEA shall be subject to all of the provisions of

1 Section 10156.7 of the Code and to the following limitations, conditions, and restrictions
2 imposed under authority of Section 10156.6 of the Code:

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

6 2. The restricted license issued to LEA may be suspended prior to hearing by
7 Order of the Commissioner on evidence satisfactory to the Commissioner that LEA has violated
8 provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the
9 Commissioner or conditions attaching to the restricted license.

10 3. LEA shall not be eligible to apply for the issuance of any unrestricted real
11 estate license nor the removal of any of the conditions, limitations, or restrictions of a restricted
12 until two (2) years have elapsed from the effective date of this Stipulation. LEA shall not be
13 eligible to apply for any unrestricted licenses until all restrictions attaching to the license have
14 been removed.

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

24 5. All licenses and licensing rights of LEA are indefinitely suspended unless
25 or until LEA provides proof satisfactory to the Commissioner, of having taken and successfully
26 completed the continuing education course on trust fund accounting and handling specified in
27 paragraph (3) of subdivision (a) of Section 10170.5 of the Code. Proof of satisfaction of these

1 requirements includes evidence that Respondent has successfully completed the trust fund
2 account and handling continuing education courses, no earlier than 120 days prior to the effective
3 date of the Decision and Order in this matter. Proof of completion of the trust fund accounting
4 and handling course must be delivered to the Bureau of Real Estate, Flag Section at P.O. Box
5 137013, Sacramento, CA 95813-7013 or by fax at 916-263-8758, prior to the effective date of
6 this Decision and Order.

7 6. LEA shall, within six (6) months from the effective date of this Decision,
8 take and pass the Professional Responsibility Examination administered by the Bureau including
9 the payment of the appropriate examination fee. If LEA fails to satisfy this condition, LEA's
10 real estate license shall automatically be suspended until Respondent passes the examination.

11 LEA PANNELL REALTY, INC.

12 All licenses and licensing rights of LPR, under the Real Estate Law are revoked;
13 provided, however, a restricted corporate real estate broker license shall be issued to LPR,
14 pursuant to Section 10156.5 of the Code, if LPR makes application therefore and pays to the
15 Bureau of Real Estate the appropriate fee for the restricted license within 90 days from the
16 effective date of this Stipulation. The restricted license issued to LPR shall be subject to all of
17 the provisions of Section 10156.7 of the Code and to the following limitations, conditions, and
18 restrictions imposed under authority of Section 10156.6 of the Code:

19 1. The restricted license issued to LPR may be suspended prior to hearing by
20 Order of the Commissioner in the event of LPR's conviction or plea of nolo contendere to a
21 crime which is substantially related to LPR's fitness or capacity as a real estate licensee.

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

26 3. LPR shall not be eligible to apply for the issuance of any unrestricted real
27 estate license nor the removal of any of the conditions, limitations, or restrictions of a restricted

1 until two (2) years have elapsed from the effective date of this Stipulation. LPR shall not be
2 eligible to apply for any unrestricted licenses until all restrictions attaching to the license have
3 been removed.

4 LEA and LPR (Respondents)

5 1. Pursuant to Section 10148 of the Code, Respondents shall, jointly and
6 severally, pay the sum of \$7,907.65 for the Commissioner's cost of the audit which led to this
7 disciplinary action. Respondents shall pay such cost within sixty (60) days of receiving an
8 invoice therefore from the Commissioner. Payment of audit costs should not be made until
9 Respondents receives the invoice. If Respondents fail to satisfy this condition in a timely manner
10 as provided for herein, Respondents' real estate licenses shall automatically be suspended until
11 payment is made in full, or until a decision providing otherwise is adopted following a hearing
12 held pursuant to this condition.

13 2. Pursuant to Section 10148 of the Code, Respondents shall pay the
14 Commissioner's reasonable cost, not to exceed \$9,884.56 for an audit to determine if
15 Respondents have corrected the violation(s) found in the "Determination of Issues". In
16 calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the
17 estimated average hourly salary for all persons performing audits of real estate brokers, and shall
18 include an allocation for travel time to and from the auditor's place of work. Respondents shall
19 pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner.
20 Payment of the audit costs should not be made until Respondent receives the invoice. If
21 Respondents fail to satisfy this condition in a timely manner as provided for herein, Respondents'
22 real estate licenses shall automatically be suspended until payment is made in full, or until a
23 decision providing otherwise is adopted following a hearing held pursuant to this condition.
24 and enforcement costs must be delivered to the Bureau of Real Estate, Flag Section at P.O. Box
25 137013, Sacramento, CA 95813-7013, prior to the effective date of this Stipulation.

26 3. All licenses and licensing rights of Respondents are indefinitely suspended
27 unless or until they jointly and severally pay the sum of \$1,330.45 for the Commissioner's
reasonable cost of the investigation and enforcement which led to this disciplinary action. Said

1 payment shall be only in the form of a cashier's check or certified check made payable to the
2 Bureau of Real Estate. The investigative and enforcement costs must be delivered to the Bureau
3 of Real Estate, Legal Section at P.O. Box 137007, Sacramento, CA 95813-7007, prior to the
4 effective date of this Order.

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6 5/14/17

DATED

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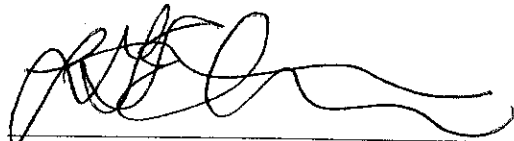
RICHARD K. UNO, Counsel III
BUREAU OF REAL ESTATE

9 * * *

10 I have read the Stipulation and Agreement in Settlement and Order and its terms
11 are understood by me and are agreeable and acceptable to me. I understand that I am waiving
12 rights given to me by the California Administrative Procedure Act (including but not limited
13 to Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly,
14 intelligently, and voluntarily waive those rights, including the right of requiring the
15 Commissioner to prove the allegations in the Accusation at a hearing at which I would have the
16 right to cross-examine witnesses against me and to present evidence in defense and mitigation
17 of the charges. I understand that I must sign and return this Stipulation by fax to (916) 263-
18 3767 or by email to Richard.Uno@dre.ca.gov. I further agree to mail the original Stipulation
19 no later than five days after signing it to: Bureau of Real Estate, Legal Section, P.O. Box
20 137007, Sacramento, California 95813-7007. I understand that failure to mail the original
21 back may result in this matter going to hearing.

22
23 5-9-2017

DATED

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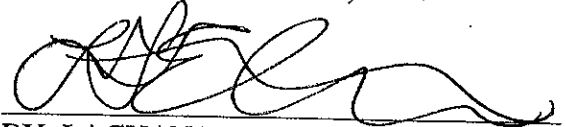
LAGUAN EUGENE LEA

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LEA PANNELL REALTY, INC.

5-9-2017

DATED



BY: LAGUAN EUGENE LEA

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

5/9/2017

DATED



OSBY DAVIS

The foregoing Stipulation and Agreement In Settlement and Order is hereby
adopted by the Real Estate Commissioner as his Decision and Order and shall become effective
at 12 o'clock noon on JUL 10 2017.

IT IS SO ORDERED

6/13/2017

WAYNE S. BELL
REAL ESTATE COMMISSIONER

