

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

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FILED

JAN 26 2024

DEPARTMENT OF REAL ESTATE
By X. Krapp

7 BEFORE THE DEPARTMENT OF REAL ESTATE
8 STATE OF CALIFORNIA

9 * * *

10 In the Matter of the Accusation of:) Case No. H-7133 SAC
11)
12 JHL COMMERCIAL PROPERTIES,) STIPULATION AND AGREEMENT
13 RICHARD JOHN MCDONALD, and) IN SETTLEMENT AND ORDER
14 SCOTT S. HILL,)
15 Respondents.)

16 It is hereby stipulated by and between Respondents JHL COMMERCIAL
17 PROPERTIES ("JHL") and SCOTT S. HILL ("HILL"), (collectively "Respondents"), acting by
18 and through Michael W. Rupprecht, Counsel for Respondents, and the Complainant, acting by
19 and through Adriana Z. Badilas, Counsel for the Department of Real Estate ("Department"), as
20 follows for the purpose of settling and disposing of the First Amended Accusation
21 ("Accusation") filed on February 21, 2023, 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
24 hearing was to be held in accordance with the provisions of the Administrative Procedure Act
25 ("APA"), shall instead and in place thereof be submitted solely on the basis of the provisions of
26 this Stipulation and Agreement in Settlement and Order ("Stipulation and Agreement").
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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 Department
3 of Real Estate in this proceeding.

4 3. On April 21, 2022, a Notice of Defense was received from Respondent JHL,
5 and on March 8, 2023, a Notice of Defense was received from Respondent HILL, pursuant to
6 Section 11505 of the Government Code for the purpose of requesting a hearing on the
7 allegations made in the Accusation. Respondents hereby freely and voluntarily withdraw said
8 Notices of Defense. Respondents acknowledge that they understand that by withdrawing said
9 Notices of Defense they will waive their rights to require the Commissioner to prove the
10 allegations in the Accusation at a contested hearing held in accordance with the provisions of
11 the APA and that they will waive other rights afforded to them in connection with the hearing
12 such as the right to present evidence in defense of the allegations in the Accusation and the
13 right to cross-examine witnesses.

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

20 5. This Stipulation and Agreement is made for the purpose of reaching an
21 agreed disposition of this proceeding and is expressly limited to this proceeding and any other
22 proceeding or case in which the Department, the state or federal government, any agency of
23 this state, or an agency of another state is involved.

24 6. It is understood by the parties that the Real Estate Commissioner may adopt
25 the Stipulation and Agreement as his Decision in this matter, thereby imposing the penalties
26 and sanctions on Respondents' real estate license(s) and license rights as set forth in the below
27 "Order." In the event that the Commissioner in his discretion does not adopt the Stipulation

1 and Agreement, it shall be void and of no effect, and Respondents shall retain the right to a
2 hearing and proceeding on the Accusation under all the provisions of the APA and shall not be
3 bound by any admission or waiver made herein.

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

9 DETERMINATION OF ISSUES

10 By reason of the foregoing stipulations, admissions, and waivers, and solely for
11 the purpose of settlement of the pending Accusation without further proceedings, it is stipulated
12 and agreed that the following Determination of Issues shall be made:

13 1. The acts and/or omissions of JHL, as described in the Accusation, are grounds
14 for the suspension or revocation of the licenses and license rights of JHL under the provisions of
15 Sections 10130, 10145, 10177(d), and 10177(g) of the Code, in conjunction with Sections 2832
16 and 2834, of Title 10, of the California Code of Regulations ("Regulations").

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

20 ORDER

21 **I. As to JHL**

22 All licenses and licensing rights of JHL, under the Real Estate Law are suspended
23 for a period of sixty (60) days from the effective date of this Order; provided, however, that:

24 1. Thirty (30) days of said suspension shall be stayed, upon the condition that
25 JHL petitions pursuant to Section 10175.2 of the Code and pays a monetary penalty pursuant to
26 Section 10175.2 of the Code at a rate of \$75 for each day of the suspension for a total monetary
27 penalty of \$2,250.

- 1 a) Said payment shall be in the form of a cashier's check made payable to the
2 Department of Real Estate. Said check must be delivered to the Department of
3 Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013,
4 prior to the effective date of this Order.
- 5 b) No further cause for disciplinary action against the real estate license of JHL
6 occurs within two (2) years from the effective date of the decision in this
7 matter.
- 8 c) If JHL fails to pay the monetary penalty as provided above prior to the
9 effective date of this Order, the stay of the suspension shall be vacated as to
10 JHL and the order of suspension shall be immediately executed, under this
11 Order, in which event JHL shall not be entitled to any repayment nor credit,
12 prorated or otherwise, for the money paid to the Department under the terms
13 of this Order.
- 14 d) If JHL pays the monetary penalty and any other moneys due under this
15 Stipulation and if no further cause for disciplinary action against the real
16 estate license of JHL occurs within two (2) years from the effective date of
17 this Order, the entire stay hereby granted in this Order shall become
18 permanent.
- 19 2. Thirty (30) days of said suspension shall be stayed for two (2) years upon
20 the following terms and conditions:
- 21 a) JHL shall obey all laws, rules and regulations governing the rights, duties, and
22 responsibilities of a real estate licensee in the State of California; and,
- 23 b) That no final subsequent determination be made, after hearing or upon
24 stipulation that cause for disciplinary action occurred within two (2) years
25 from the effective date of this Order. Should such a determination be made,
26 the Commissioner may, in his discretion, vacate and set aside the stay order
27 and re-impose all or a portion of the stayed suspension. Should no such

1 determination be made, the stay imposed herein shall become permanent.

2 3. All licenses and licensing rights of JHL are indefinitely suspended unless or
3 until JHL, jointly and severally with HILL, pays the sum of \$7,386.65 for the Commissioner's
4 reasonable cost of the investigation (\$6,498.65) and enforcement (\$888.00) which led to this
5 disciplinary action. Said payment shall be in the form of a cashier's check or certified check
6 made payable to the Department of Real Estate. The investigative and enforcement costs must be
7 delivered to the Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA
8 95813-7013, prior to the effective date of this Order.

9 4. JHL shall pay the sum of \$7,660.00 for the Commissioner's cost of the audit
10 which led to this disciplinary action. JHL shall pay such cost within sixty (60) days of
11 receiving an invoice therefore from the Commissioner. The Commissioner shall indefinitely
12 suspend all licenses and licensing rights of JHL pending a hearing held in accordance with
13 Section 11500, et seq., of the Government Code, if payment is not timely made as provided for
14 herein, or as provided for in a subsequent agreement between JHL and the Commissioner. The
15 suspension shall remain in effect until payment is made in full or until JHL enters into an
16 agreement satisfactory to the Commissioner to provide for payment, or until a decision
17 providing otherwise is adopted following a hearing held pursuant to this condition.

18 5. JHL shall pay the Commissioner's costs, not to exceed \$9,575.00 of any
19 follow-up audit conducted pursuant to Section 10148 of the Code to determine if JHL has
20 corrected the violations described in the Determination of Issues, above, and any other
21 violations found in the audit which led to this disciplinary action. In calculating the amount of
22 the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly
23 salary for all persons performing audits of real estate brokers, and shall include an allocation
24 for travel time to and from the auditor's place of work. JHL shall pay such cost within sixty
25 (60) days of receiving an invoice therefore from the Commissioner detailing the activities
26 performed during the audit and the amount of time spent performing those activities. If JHL
27 fails to pay such cost within the sixty (60) days, the Commissioner shall indefinitely suspend

1 all licenses and licensing rights of JHL under the Real Estate Law until payment is made in full
2 or until JHL enters into an agreement satisfactory to the Commissioner to provide for payment.
3 Upon full payment, the indefinite suspension provided for in this paragraph shall be stayed.

4 **II. As to HILL**

5 All licenses and licensing rights of HILL under the Real Estate Law are revoked;
6 provided, however, a restricted real estate broker license shall be issued to HILL pursuant to
7 Section 10156.5 of the Code if HILL makes application therefore for the restricted license within
8 ninety (90) days from the effective date of this Decision and Order. The restricted license issued
9 to HILL shall be subject to all the provisions of Section 10156.7 of the Code and to the following
10 limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

11 1. The restricted license issued to HILL may be suspended prior to hearing by
12 Order of the Commissioner in the event of HILL's conviction or plea of nolo contendere to a
13 crime that is substantially related to HILL's fitness or capacity as a real estate licensee.

14 2. The restricted license issued to HILL may be suspended prior to hearing by
15 Order of the Commissioner on evidence satisfactory to the Commissioner that HILL has violated
16 provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real
17 Estate Commissioner, or conditions attaching to the restricted license.

18 3. HILL shall not be eligible to petition for the issuance of any unrestricted real
19 estate license nor for removal of any of the conditions, limitations, or restrictions of a restricted
20 license until four (4) years have elapsed from the effective date of this Decision and Order. HILL
21 shall not be eligible to apply for any unrestricted license until all restrictions attached to the
22 license have been removed.


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

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

8 6. All licenses and licensing rights of HILL are indefinitely suspended unless or
9 until HILL, jointly and severally with JHL, pays the sum of \$7,386.65 for the Commissioner's
10 reasonable costs of the investigation and enforcement which led to this disciplinary action. Said
11 payment shall be in the form of a cashier's check or certified check made payable to the
12 Department. The investigative and enforcement costs must be delivered to the Department of
13 Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the
14 effective date of this Order.

15
16 8/22/23
17 DATED _____

18 
19 ADRIANA Z. BADILAS, Counsel
20 Department of Real Estate

21 * * *

22 I have read the Stipulation and Agreement and its terms are understood by me
23 and are agreeable and acceptable to me. I understand that I am waiving rights given to me by
24 the California Administrative Procedure Act (including but not limited to Sections 11506,
25 11508, 11509 and 11513 of the Government Code), and I willingly, intelligently, and
26 voluntarily waive those rights, including the right of requiring the Commissioner to prove the
27 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.

1 Respondents and Respondents' attorney further agree to send the original signed
2 Stipulation and Agreement by mail to the following address no later than one (1) week from the
3 date the Stipulation and Agreement is signed by Respondents and Respondents' attorney:
4 *Department of Real Estate, Legal Section, P.O. Box 137007, Sacramento, California 95813-*
5 *7007.*

6 Respondents and Respondents' attorney understand and agree that if they fail to
7 return the original signed Stipulation and Agreement by the due date, Complainant retains the
8 right to set this matter for hearing.

9
10
11 8/14/2023

12 DATED

DocuSigned by:

Scott Hill

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JHL COMMERCIAL PROPERTIES,
Signed by: SCOTT S. HILL Designated
Officer

13
14
15 8/14/2023

16 DATED

DocuSigned by:

Scott Hill

0435E134462A4C7

SCOTT S. HILL
Respondent

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19 * * *

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

22
23 8/14/2023

24 DATED

DocuSigned by:

Michael W. Rupprecht

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MICHAEL W. RUPPRECHT
Attorney for Respondents

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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 **FEB 16, 2024**.

IT IS SO ORDERED 10/17/23, 2023.

REAL ESTATE COMMISSIONER


DOUGLAS R. McCAULEY

for Doug McCauley