

FILED

JAN 04 2007

DEPARTMENT OF REAL ESTATE

By

[Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) No. H-7894 SF
CLAYTON MORRIS ENGSTROM, JR.,)
Respondent.)

ORDER GRANTING REINSTATEMENT OF LICENSE

On February 22, 2001, a Decision was rendered herein revoking the real estate broker license of Respondent effective March 28, 2001, but granting Respondent the right to the issuance of a restricted real estate broker license. A restricted real estate broker license was issued to Respondent on April 19, 2001, and Respondent has operated as a restricted licensee since that time.

On April 26, 2005, Respondent petitioned for reinstatement of said real estate broker license, and the Attorney General of the State of California has been given notice of the filing of said petition.

///

1 I have considered the petition of Respondent and the
2 evidence and arguments in support thereof. Respondent has
3 demonstrated to my satisfaction that Respondent meets the
4 requirements of law for the issuance to Respondent of an
5 unrestricted real estate broker license and that it would not be
6 against the public interest to issue said license to Respondent.

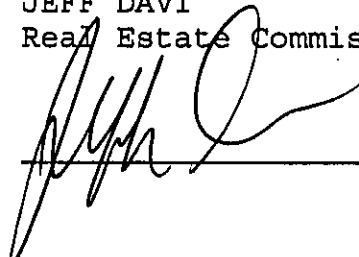
7 NOW, THEREFORE, IT IS ORDERED that Respondent's
8 petition for reinstatement is granted and that a real estate
9 broker license be issued to Respondent if Respondent satisfies
10 the following conditions within nine (9) months from the date of
11 this Order:

12 1. Submittal of a completed application and payment of
13 the fee for a real estate broker license.

14 2. Submittal of evidence of having, since the most
15 recent issuance of an original or renewal real estate license,
16 taken and successfully completed the continuing education
17 requirements of Article 2.5 of Chapter 3 of the Real Estate Law
18 for renewal of a real estate license.

19 This Order shall become effective immediately.

20 DATED: _____

21 JEFF DAVI
22 Real Estate Commissioner
23 
24 _____
25
26
27

FILED
FEB 27 2002

DEPARTMENT OF REAL ESTATE

By *Laurie C. Zini*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

MARY C. ENGSTROM,

Respondent.

No. H-7894 SF

ORDER SUSPENDING RESTRICTED REAL ESTATE LICENSE

TO: RESPONDENT MARY C. ENGSTROM

On June 28, 2001, a restricted real estate salesperson license was issued by the Department of Real Estate to Respondent MARY C. ENGSTROM (hereinafter "Respondent"), on the terms, conditions and restrictions set forth in the Real Estate Commissioner's Order of February 22, 2001, in Case No. H-7894 SF. The Order became effective March 28, 2001. The Order of February 22, 2001 granted Respondent the right to the issuance of a restricted real estate salesperson license subject to the provisions of Section 10156.7 of the Business and Professions Code and to enumerated additional terms, conditions

///

1 and restrictions imposed under authority of Section 10156.6 of
2 said Code.

3 Among those terms, conditions and restrictions,
4 Respondent was required to take and pass the Professional
5 Responsibility Examination (hereinafter "the condition") within
6 six (6) months after June 28, 2001, the date the restricted
7 license was issued. The Commissioner has determined that as of
8 January 22, 2002, Respondent has failed to satisfy this
9 condition, and as such, Respondent is in violation of Section
10 10177(k) of the Business and Professions Code.

11 NOW, THEREFORE, IT IS ORDERED under authority of
12 Section 10156.7 of the Business and Professions Code of the
13 State of California that the restricted real estate salesperson
14 license heretofore issued to Respondent and the exercise of any
15 privileges thereunder is hereby suspended until such time as
16 Respondent provides proof satisfactory to the Department of
17 compliance with the "condition" referred to above, or pending
18 final determination made after hearing (see "Hearing rights" set
19 forth below). Furthermore, Respondent has no right to renew
20 Respondent's restricted license if this "condition" is not
21 satisfied by the date Respondent's restricted license expires.

22 IT IS FURTHER ORDERED that all license certificates and
23 identification cards issued by the Department of Real Estate
24 which are in the possession of Respondent be immediately
25 surrendered by personal delivery or by mailing in the enclosed
26 self-addressed, stamped envelope to:

27 ///

1 DEPARTMENT OF REAL ESTATE
2 Attention: Flag Section
3 P. O. Box 187000
4 Sacramento, CA 95818-7000

5 HEARING RIGHTS: Pursuant to the provisions of Section
6 10156.7 of the Business and Professions Code, Respondent has the
7 right to a hearing to contest the Commissioner's determination
8 that you are in violation of Section 10177(k). If Respondent
9 desires a hearing, Respondent must submit a written request. The
10 request may be in any form, as long as it is in writing and
11 indicates that Respondent wants a hearing. Unless a written
12 request for a hearing, signed by or on behalf of Respondent, is
13 delivered or mailed to the Department of Real Estate at 2201
14 Broadway, P. O. Box 187000, Sacramento, California 95818-7000,
15 within twenty (20) days after the date that this Order was mailed
16 to or served on you, the Department will not be obligated or
17 required to provide you with a hearing.

18 This Order shall be effective immediately.

19 DATED: February 8, 2002

20 PAULA REDDISH ZINNEMANN
21 Real Estate Commissioner

22 
23
24
25
26
27

1 Department of Real Estate
2 P. O. Box 187000
3 Sacramento, CA 95818-7000
4 Telephone: (916) 227-0789

FILED

MAR - 7 2001

DEPARTMENT OF REAL ESTATE

Laurie A. Zin

7 BEFORE THE DEPARTMENT OF REAL ESTATE
8 STATE OF CALIFORNIA

9 * * *

10 In the Matter of the Accusation of	)	No. H-7894 SF
11 CLAYTON MORRIS ENGSTROM, JR.,	)	OAH No. N-2000120204
12 AND MARY C. ENGSTROM,	)	
13 Respondents.	)	<u>STIPULATION AND AGREEMENT</u>

14 It is hereby stipulated by and between Respondents
15 CLAYTON MORRIS ENGSTROM, JR. and MARY C. ENGSTROM, individually
16 and by and through Daniel W. Cantrell, Esq., attorney of record
17 herein for Respondents, and the Complainant, acting by and
18 through James L. Beaver, Counsel for the Department of Real
19 Estate, as follows for the purpose of settling and disposing of
20 the Accusation filed on November 15, 2000 in this matter
21 (hereinafter "the Accusation"):

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

27 ///

1 thereof be submitted solely on the basis of the provisions of
2 this Stipulation and Agreement.

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

7 3. On December 1, 2000, Respondents each filed a
8 Notice of Defense pursuant to Section 11505 of the Government
9 Code for the purpose of requesting a hearing on the allegations
10 in the Accusation. Respondents hereby freely and voluntarily
11 withdraw said Notice of Defense. Respondents acknowledge that
12 Respondents understand that by withdrawing said Notice of
13 Defense Respondents will thereby waive Respondents' right to
14 require the Commissioner to prove the allegations in the
15 Accusation at a contested hearing held in accordance with the
16 provisions of the APA and that Respondents will waive other
17 rights afforded to Respondents in connection with the hearing
18 such as the right to present evidence in defense of the
19 allegations in the Accusation and the right to cross-examine
20 witnesses.

21 4. Respondents, pursuant to the limitations set
22 forth below, hereby admit that the factual allegations in the
23 Accusation are true and correct and the Real Estate
24 Commissioner shall not be required to provide further evidence
25 of such allegations.

26 ///

27 ///

1 5. It is understood by the parties that the Real
2 Estate Commissioner may adopt the Stipulation and Agreement as
3 her decision in this matter, thereby imposing the penalty and
4 sanctions on Respondents' real estate licenses and license
5 rights as set forth in the "Order" below. In the event that
6 the Commissioner in her discretion does not adopt the
7 Stipulation and Agreement, it shall be void and of no effect,
8 and Respondents shall retain the right to a hearing and
9 proceeding on the Accusation under all the provisions of the
10 APA and shall not be bound by any admission or waiver made
11 herein.

12 6. This Stipulation and Agreement shall not
13 constitute an estoppel, merger or bar to any further
14 administrative or civil proceedings by the Department of Real
15 Estate with respect to any matters which were not specifically
16 alleged to be causes for accusation in this proceeding.

17 DETERMINATION OF ISSUES

18 By reason of the foregoing stipulations, admissions
19 and waivers and solely for the purpose of settlement of the
20 pending Accusation without hearing, it is stipulated and agreed
21 that the following Determination of Issues shall be made:

22 I

23 The acts and omissions of Respondents as described in
24 the Accusation are grounds for the suspension or revocation of
25 the licenses and license rights of Respondents under the
26 following provisions of the California Business and Professions

27 ///

1 Code (hereinafter "the Code") and/or Chapter 6, Title 10,
2 California Code of Regulations (hereinafter "the Regulations"):

3 (a) As to Paragraph XII, under Section 11018.2 of the
4 Code in conjunction with Section 10177(d) of the Code; and

5 (b) As to Paragraph XIII(a), under Section 11018.1
6 of the Code in conjunction with Section 10177(d) of the Code.

7 ORDER

8 I

9 All licenses and licensing rights of Respondent
10 CLAYTON MORRIS ENGSTROM, JR. under the Real Estate Law are
11 revoked; provided, however, a restricted real estate broker
12 license shall be issued to said Respondent pursuant to Section
13 10156.5 of the Business and Professions Code if, within ninety
14 (90) days from the effective date of the Decision entered
15 pursuant to this Order, Respondent makes application for the
16 restricted license and pays to the Department of Real Estate the
17 appropriate fee therefor.

18 The restricted license issued to Respondent shall be
19 subject to all of the provisions of Section 10156.7 of the
20 Business and Professions Code and to the following limitations,
21 conditions and restrictions imposed under authority of Section
22 10156.6 of that Code:

23 1. Any restricted real estate license issued to
24 Respondent pursuant to this Decision shall be suspended for a
25 period of thirty (30) days from the date of issuance of said
26 restricted license; provided however, that if Respondent
27 petitions, said suspension (or a portion thereof) shall be

1 stayed upon condition that Respondent pays a monetary penalty
2 pursuant to Section 10175.2 of the Code at the rate of \$150.00
3 for each day of the suspension for a total monetary penalty of
4 \$4,500.00, and upon condition that no further cause for
5 disciplinary action against the real estate license of
6 Respondent occurs within one (1) year from the effective date of
7 the Decision in this matter. Any stay granted pursuant to this
8 paragraph shall be subject to the following terms:

9 (a) Said monetary penalty payment shall be in the
10 form of a cashier's check or certified check made payable to the
11 Recovery Account of the Real Estate Fund. Said check must be
12 received by the Department prior to the effective date of the
13 Decision in this matter.

14 (b) The Commissioner may, if a final subsequent
15 determination is made, after hearing or upon stipulation, that
16 cause for disciplinary action occurred during the one (1) year
17 period following the effective date of the Decision in this
18 matter, vacate and set aside the stay and order the immediate
19 execution of all or any part of the stayed suspension, in which
20 event the Respondent shall not be entitled to any repayment nor
21 credit, prorated or otherwise, for money paid to the Department
22 under the terms of this Order.

23 (c) If Respondent fails to pay the monetary penalty
24 in accordance with the terms and conditions of the Decision, the
25 Commissioner may, without a hearing, order the immediate
26 execution of all or any part of the stayed suspension in which
27 event the Respondent shall not be entitled to any repayment nor

1 credit, prorated or otherwise, for money paid to the Department
2 under the terms of the Decision.

3 (d) If Respondent pays the monetary penalty and if no
4 order vacating the stay is made pursuant to Paragraph (b),
5 above, the stay granted pursuant to this Decision shall become
6 permanent.

7 2. The restricted license issued to Respondent may
8 be suspended prior to hearing by Order of the Real Estate
9 Commissioner in the event of Respondent's conviction or plea of
10 nolo contendere to a crime which is substantially related to
11 Respondent's fitness or capacity as a real estate licensee.

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

18 4. Respondent shall not be eligible to apply for the
19 issuance of an unrestricted real estate license nor for the
20 removal of any of the conditions, limitations or restrictions of
21 a restricted license until two (2) years have elapsed from the
22 effective date of this Decision.

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

requirements of Article 2.5 of Chapter 3 of the Real Estate Law
for renewal of a real estate license. If Respondent fails to
satisfy this condition, the Commissioner may order the
suspension of the restricted license until the Respondent
presents such evidence. The Commissioner shall afford
Respondent the opportunity for a hearing pursuant to the
Administrative Procedure Act to present such evidence.

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

7. Any restricted real estate broker license issued
to Respondent may be suspended or revoked for a violation by
Respondent of any of the conditions attaching to the restricted
license.

II

All licenses and licensing rights of Respondent
MARY C. ENGSTROM under the Real Estate Law are revoked;
provided, however, a restricted real estate salesperson license
shall be issued to said Respondent pursuant to Section 10156.5
of the Business and Professions Code if Respondent makes
application therefor and pays to the Department of Real Estate
the appropriate fee for the restricted license within ninety
(90) days from the effective date of this Decision.

1 The restricted license issued to Respondent shall be
2 subject to all of the provisions of Section 10156.7 of the
3 Business and Professions Code and to the following limitations,
4 conditions and restrictions imposed under authority of Section
5 10156.6 of that Code:

6 ~~1.~~ Any restricted real estate license issued to
7 Respondent pursuant to this Decision shall be suspended for a
8 period of thirty (30) days from the date of issuance of said
9 restricted license; provided however, that if Respondent
10 petitions, said suspension (or a portion thereof) shall be
11 stayed upon condition that Respondent pays a monetary penalty
12 pursuant to Section 10175.2 of the Code at the rate of \$150.00
13 for each day of the suspension for a total monetary penalty of
14 \$4,500.00, and upon condition that no further cause for
15 disciplinary action against the real estate license of
16 Respondent occurs within one (1) year from the effective date of
17 the Decision in this matter. Any stay granted pursuant to this
18 paragraph shall be subject to the following terms:

19 (a) Said monetary penalty payment shall be in the
20 form of a cashier's check or certified check made payable to the
21 Recovery Account of the Real Estate Fund. Said check must be
22 received by the Department prior to the effective date of the
23 Decision in this matter.

24 (b) The Commissioner may, if a final subsequent
25 determination is made, after hearing or upon stipulation, that
26 cause for disciplinary action occurred during the one (1) year
27 period following the effective date of the Decision in this

1 matter, vacate and set aside the stay and order the immediate
2 execution of all or any part of the stayed suspension, in which
3 event the Respondent shall not be entitled to any repayment nor
4 credit, prorated or otherwise, for money paid to the Department
5 under the terms of this Order.

6 (c) If Respondent fails to pay the monetary penalty
7 in accordance with the terms and conditions of the Decision, the
8 Commissioner may, without a hearing, order the immediate
9 execution of all or any part of the stayed suspension in which
10 event the Respondent shall not be entitled to any repayment nor
11 credit, prorated or otherwise, for money paid to the Department
12 under the terms of the Decision.

13 (d) If Respondent pays the monetary penalty and if no
14 order vacating the stay is made pursuant to Paragraph (b),
15 above, the stay granted pursuant to this Decision shall become
16 permanent.

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

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

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

6 5. Respondent shall, within nine (9) months from the
7 effective date of the Decision, present evidence satisfactory to
8 the Real Estate Commissioner that Respondent has, since the most
9 recent issuance of an original or renewal real estate license,
10 taken and successfully completed the continuing education
11 requirements of Article 2.5 of Chapter 3 of the Real Estate Law
12 for renewal of a real estate license. If Respondent fails to
13 satisfy this condition, the Commissioner may order the
14 suspension of the restricted license until the Respondent
15 presents such evidence. The Commissioner shall afford
16 Respondent the opportunity for a hearing pursuant to the
17 Administrative Procedure Act to present such evidence.

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

25 7. Respondent shall submit with any application for
26 license under an employing broker, or any application for
27 transfer to a new employing broker, a statement signed by the

1 prospective employing real estate broker on a form approved by
2 the Department of Real Estate which shall certify:

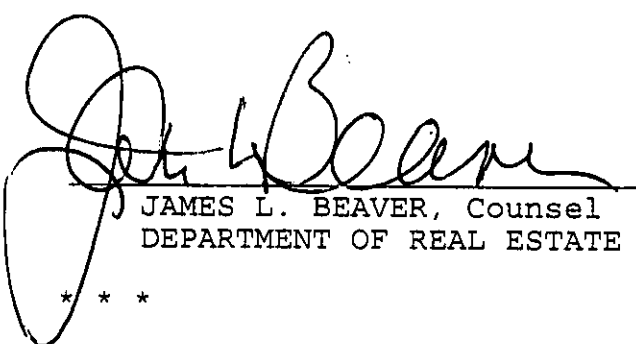
3 (a) That the employing broker has read the Decision
4 of the Commissioner which granted the right to a
5 restricted license; and

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

10 8. Any restricted real estate salesperson license
11 issued to Respondent may be suspended or revoked for a violation
12 by Respondent of any of the conditions attaching to the
13 restricted license.

14 February 13, 2001

15 DATED

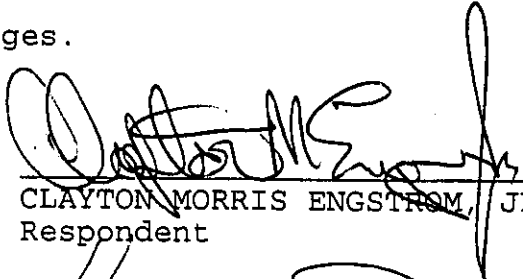
16  JAMES L. BEAVER, Counsel
DEPARTMENT OF REAL ESTATE

17 * * *

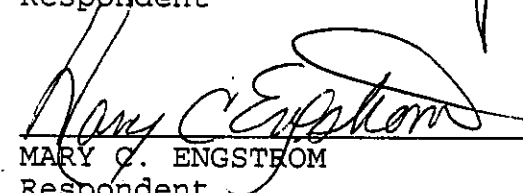
18 I have read the Stipulation and Agreement, have
19 discussed its terms with my attorney, and its terms are
20 understood by me and are agreeable and acceptable to me. I
21 understand that I am waiving rights given to me by the
22 California Administrative Procedure Act (including but not
23 limited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

1 cross-examine witnesses against me and to present evidence in
2 defense and mitigation of the charges.

3
4 1-31-01
5 DATED

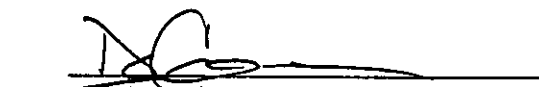
6 
7 CLAYTON MORRIS ENGSTROM, JR.
8 Respondent

9
10 1-31-01
11 DATED

12 
13 MARY C. ENGSTROM
14 Respondent

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

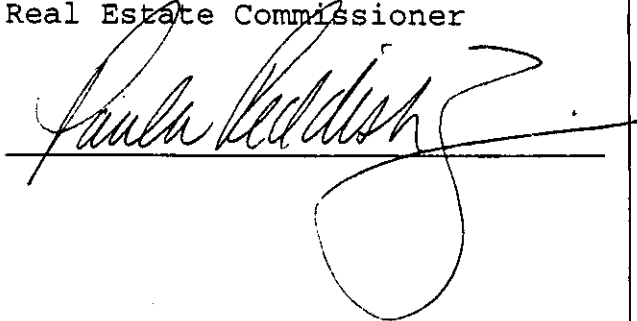
17
18 1/30/01
19 DATED

20 
21 DANIEL W. CANTRELL
22 Attorney for Respondents

23 * * *

24 The foregoing Stipulation and Agreement for
25 Settlement is hereby adopted by the Real Estate Commissioner as
26 his Decision and Order and shall become effective at 12 o'clock
27 noon on March 28, 2001.

IT IS SO ORDERED February 22, 2001.

28 PAULA REDDISH ZINNEMANN
29 Real Estate Commissioner
30 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
DEC 27 2000

DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

CLAYTON MORRIS ENGSTROM
and MARY C. ENGSTROM,

Case No. H-7894 SF

OAH No. N-2000120204

Respondent

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at the
Office of Administrative Hearings, 1515 Clay Street, Suite 206,
Oakland, CA 94612

on April 2 through 4, 2001, at the hour of 9:00 AM,
or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of
hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten
(10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days
will deprive you of a change in the place of the hearing.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You
are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent
yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the
Department may take disciplinary action against you based upon any express admission or other evidence including
affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses
testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the
production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who
does not proficiently speak the English language, you must provide your own interpreter and pay his or her costs. The
interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

Dated: December 27, 2000

DEPARTMENT OF REAL ESTATE

By JAMES L. BEAVER Counsel

1 JAMES L. BEAVER, Counsel (SBN 60543)
2 Department of Real Estate
3 P. O. Box 187000
4 Sacramento, CA 95818-7000

5 Telephone: (916) 227-0789
6 -or- (916) 227-0788 (Direct)
7

FILED

NOV 15 2000

DEPARTMENT OF REAL ESTATE

By *Murie A. Zin*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

No. H-7894 SF

12 CLAYTON MORRIS ENGSTROM, JR.,)

ACCUSATION

13 and MARY C. ENGSTROM)

14 Respondents.)

15 The Complainant, Les R. Bettencourt, a Deputy Real
16 Estate Commissioner of the State of California, for cause of
17 Accusation against CLAYTON MORRIS ENGSTROM, JR. and MARY C.
18 ENGSTROM (hereinafter "Respondents"), is informed and alleges as
19 follows:

20 I

21 The Complainant, Les R. Bettencourt, a Deputy Real
22 Estate Commissioner of the State of California, makes this
23 Accusation in his official capacity.

24 ///

25 ///

26 ///

27 ///

1 II

2 At all times herein mentioned, Respondents were and
3 now are licensed and/or have license rights under the Real
4 Estate Law (Part 1 of Division 4 of the Business and Professions
5 Code) (hereinafter "the Code").

6 III

7 At all times herein mentioned, Respondent CLAYTON
8 MORRIS ENGSTROM, JR. was and now is licensed by the California
9 Department of Real Estate (hereinafter "the Department") as a
10 real estate broker.

11 IV

12 At all times herein mentioned, Respondent MARY C.
13 ENGSTROM was and now is licensed by the Department as a real
14 estate salesperson.

15 V

16 At all times herein mentioned, Respondents engaged in
17 the business of, acted in the capacity of, advertised, or
18 assumed to act as real estate brokers within the State of
19 California, within the meaning of Sections 10131(a) of the Code,
20 including the operation and conduct of real estate sales
21 brokerage businesses with the public wherein, on behalf of
22 others, for compensation or in expectation of compensation,
23 Respondents sold and offered to sell, bought and offered to buy,
24 solicited prospective sellers and purchases of, solicited and
25 obtained listings of, and negotiated the purchase and sale of
26 real property.

27 ///

1 VI

2 At all times mentioned herein, "Fountainview at
3 Fountaingrove" (hereinafter "the Subdivision") was and now is a
4 planned development subdivision, as described in Sections 11003
5 and 11004.5(a) of the Code, consisting of all that real property
6 in the City of Santa Rosa, County of Sonoma, State of
7 California, described as Lots 1 through 28 and common area lots
8 A, B and C, as shown on the map thereof filed in the office of
9 the County Recorder on April 1, 1997 in Book 563 of Maps, pages
10 11 through 14, Sonoma County Records, and identified in the
11 records of the Department under the Department's File Number
12 036424 SA.

13 VII

14 At all times mentioned herein, Respondents were the
15 agents of the owners or subdividers of the Subdivision, and were
16 employed in course of the activities described in Paragraph V,
17 above, by the owners or subdividers of the Subdivision
18 (hereinafter "Sellers") to offer for sale, negotiate the sale,
19 and sell lots in the Subdivision.

20 VIII

21 At all times mentioned herein, said Subdivision,
22 including but not limited to Lots 5, 6 and 18 therein, was
23 subject to one or more blanket encumbrances as set forth in
24 Section 11013 of the Code, and there did not exist in any such
25 blanket encumbrance or supplementary agreement a release clause
26 as set forth in Section 11013.1 of the Code.

27 ///

IX

At no time prior to February 5, 1999, did the Department issue any public report authorizing any person to offer for sale, negotiate the sale, or sell lots in the Subdivision.

X

Between on or about January 22, 1998 and on or February 4, 1999, in course of the real estate brokerage and subdivision activities described in Paragraphs V and VII, above, Respondents offered for sale, negotiated for sale, and/or sold lots in said Subdivision, including but not limited to lots 5, 6, and 18.

XI

Between on or about January 22, 1998 and on or February 4, 1999, on or about the dates tabulated below, in course of the activities described in Paragraph X, above, Respondents offered for sale, negotiated for sale, and/or sold the lots in the Subdivision tabulated below to the purchasers tabulated below:

	DATE	PURCHASER(S)	LOT
(A)	01/22/98	Jack and Sharon Symons	6
(B)	04/04/98	Katherine H. Cauvin	6
(C)	05/10/98	Andre and Sumiko Nolan	3
(D)	09/04/98	Katherine Wells Taylor	17
(E)	09/28/98	Raj Gulati	7
(F)	10/25/98	Robert and Nancy Wollow	18
(G)	10/30/98	Deborah A. Orlando	7

	DATE	PURCHASER(S)	LOT
1			
2	(H) 01/02/99	John and Ann Groman	23
3	(I) 01/05/99	Andrew G. Luttringer	29
4	(J) 01/16/99	Allen D. Galster	14
5	(K) 01/16/99	Richard and Gael Russo	3
6	(L) 01/21/99	Larry and Barbara Scharf	16
7	(M) 01/24/99	Robert and Lorena McAdam	2

XII

Between on or about January 22, 1998 and on or February 4, 1999, Respondents offered for sale, negotiated for sale, and/or sold lots in said Subdivision, as described in Paragraphs X and XI, above, without having first obtained a public report from the Department authorizing Respondents and/or Sellers to offer for sale, negotiate for sale, and/or sell lots in said Subdivision, as required by Section 11018.2 of the Code.

XIII

Between on or about January 22, 1998 and on or February 4, 1999, in course of the transactions described in Paragraphs X and XI, above, Respondents failed to provide the purchasers with a copy of a current active subdivision public report issued by the Department authorizing Respondents and/or Sellers to offer for sale, negotiate for sale, and/or sell lots in said Subdivision, and caused, suffered and permitted the Sellers to fail to provide such purchasers with such a subdivision public report, in violation of Section 11018.1(a) of the Code.

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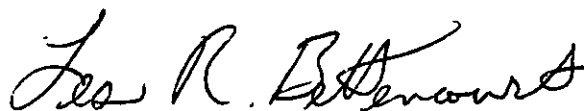
1 XIV

2 The facts alleged above are grounds for the suspension
3 or revocation of the licenses and license rights of Respondents
4 CLAYTON MORRIS ENGSTROM JR. and MARY C. ENGSTROM under the
5 following provisions of the Code:

6 (a) As to Paragraph XII, under Section 11018.2 of the
7 Code in conjunction with Section 10177(d) of the Code; and

8 (b) As to Paragraph XIII(a), under Section 11018.1 of
9 the Code in conjunction with Section 10177(d) of the Code.

10 WHEREFORE, Complainant prays that a hearing be
11 conducted on the allegations of this Accusation and that upon
12 proof thereof, a decision be rendered imposing disciplinary
13 action against all licenses and license rights of Respondents
14 under the Real Estate Law (Part 1 of Division 4 of the Business
15 and Professions Code), and for such other and further relief as
16 may be proper under other provisions of law.

17
18 
19 LES R. BETTENCOURT
Deputy Real Estate Commissioner

20 Dated at Oakland, California,
21 this 26th day of October, 2000.