

1 DEPARTMENT OF REAL ESTATE  
2 P. O. Box 187000  
3 Sacramento, CA 95818-7000

4 Telephone: (916) 227-0789

FILED  
OCT 25 2001

DEPARTMENT OF REAL ESTATE

By Shelly Ely

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

11 \* \* \*

12 To: )  
13 ) NO. H-8015 SF  
14 DANNY WELLS & ASSOCIATES, )  
15 INC., and DANNY WELLS. ) ORDER TO DESIST & REFRAIN  
(B&P §10086)

16 The Real Estate Commissioner of the State of California  
17 has determined from the findings herein set forth below that you,  
18 DANNY WELLS & ASSOCIATES, INC., and DANNY WELLS, aka DANNY CLIFF  
19 WELLS, have violated Section 10130 of the California Business  
20 and Professions Code (hereafter the "Code") by engaging in the  
21 business of a real estate broker and/or an advance fee operator  
22 within the State of California without a California real estate  
23 broker license.

24 I

25 At no time herein mentioned were you, DANNY WELLS &  
26 ASSOCIATES, INC., licensed by the State of California Department  
27 of Real Estate (hereafter "Department") as a real estate broker

1 corporation, or as a fictitious business name of a duly licensed  
2 real estate broker.

3 II

4 At no time herein mentioned were you, DANNY WELLS,  
5 aka DANNY CLIFF WELLS, licensed by the Department as a real  
6 estate broker.

7 III

8 Whenever reference is made in an allegation herein to  
9 an act or omission of "you", such allegation shall be deemed to  
10 mean that you, DANNY WELLS & ASSOCIATES, INC., and you, DANNY  
11 WELLS, aka DANNY CLIFF WELLS, and/or your officers, directors,  
12 employees, and/or agents employed by or associated with you,  
13 committed such act or omission while engaged in the furtherance  
14 of your businesses or operations and while acting within the  
15 course and scope of the authority and employment.

16 IV

17 During a period of time from at least August of 2000,  
18 you have engaged in the business and acted in the capacity of a  
19 real estate broker and/or advance fee operator within the meaning  
20 of Section 10131 and/or Section 10131.2 of the Code, for or in  
21 expectation of compensation, wherein you have:

22 (a) Offered to sell or offered to buy, solicited  
23 prospective sellers or purchasers of, solicited or obtained  
24 listings of, or negotiated the purchase, sale or exchange of  
25 business opportunities under Section 10131(a) of the Code; and/or

26 (b) Offered to lease or rent, or placed for rent, or  
27 solicited listings of places for rent, or solicited for

1 prospective tenants, or negotiated the sale, purchase or exchange  
2 of leases on real property or on a business opportunity under  
3 Section 10131(b) of the Code; and/or

4 (c) Claimed, demanded, charged, received, collected,  
5 and/or contracted for the collection of an advance fee for your  
6 services as specified in subsections (a) and/or (b) above by  
7 advance fee listing, advertisement or other offering to sell,  
8 lease, exchange or rent property or business opportunities under  
9 Section 10131.2 of the Code.

10 IV

11 During a period of time commencing in at least August  
12 of 2000, and to the present, you solicited the California public,  
13 including but not limited to sellers and purchasers of natural  
14 product businesses, including but not limited to natural food and  
15 vitamin markets and grocery stores. You solicited them to  
16 purchase or retain your business services described above,  
17 including but not limited to advertisements and dissemination of  
18 information on the World Wide Web on the Internet, with an  
19 address of *www.dannywells.com*. Said conduct constitutes acts for  
20 which a California real estate broker license is required.

21 V

22 On or about May 29, 2001, Larry Amado, a California  
23 resident, accessed your website at the above address and found  
24 your solicitations and advertisements as alleged above, including  
25 your advertising of specific businesses for sale, with specific  
26 information about each business, and including but not limited to  
27 the following:

- 1 (a) "California: Natural Food Store. Annual Sales  
2 \$675,000 .... .. Excellent location with minimal  
3 competition ... .."
- 4 (b) "Pacific Northwest: Natural Vitamin Store. ...  
5 Annual sales \$1 Million+. ... .. Excellent high  
6 traffic location ... .."
- 7 (c) "California: Natural Foods Market Chain: Annual  
8 sales \$17 Million. ... .. Sales per square foot  
9 \$919- over twice the industry average. ... .."
- 10 (d) "Texas: Annual Sales: \$1.8 million. ... ..  
11 Ten years remaining on an excellent under-market  
12 lease. Owner retiring ...."

13 VI

14 In the above solicitations and advertisements, you have  
15 claimed, demanded, and charged for the collection of an advance  
16 fee for the above services as follows:

- 17 (a) An advance fee of \$500 for telephone consultation.
- 18 (b) An advance fee of \$1,000 for on-site projects.

19 In addition to not having a real estate license, you failed to  
20 obtain approval from the Department for all materials used by you  
21 to advertise, promote, solicit and negotiate agreements for the  
22 above advance fees as required by Section 10085 of the Code and  
23 Section 2970 of the Regulations.

24 VII

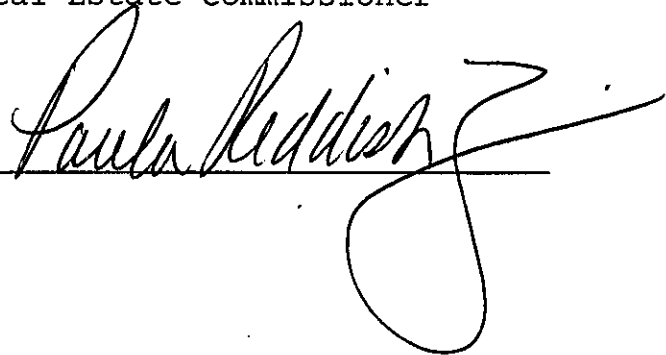
25 You have violated Section 10130 of the Code by engaging  
26 in the activities described above without first obtaining a real  
27 estate broker license.

1 NOW, THEREFORE, YOU, DANNY WELLS & ASSOCIATES, INC.,  
2 YOUR OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS AND  
3 ASSIGNS, AND YOU DANNY WELLS, AKA DANNY CLIFF WELLS, AND YOUR  
4 AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS, ARE HEREBY ORDERED TO  
5 DESIST AND REFRAIN from performing any and all acts for which a  
6 real estate license is required unless and until such time as you  
7 obtain the required license(s) from the Department.

8 YOU AND EACH OF YOU ARE FURTHER ORDERED TO DESIST AND  
9 REFRAIN from claiming, demanding, charging, receiving,  
10 collecting, and/or contracting for the collection of an advance  
11 fee for your services as specified above unless and until such  
12 time as you have also obtained approval from the Department for  
13 all advance fee materials proposed to be used by you in  
14 advertising, promoting, soliciting and negotiating any advance  
15 fee agreements with the public.

16 DATED: September 25, 2001.

18 PAULA REDDISH ZINNEMANN  
19 Real Estate Commissioner

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21  
22  
23

24 cc: DANNY WELLS  
25 DANNY WELLS & ASSOCIATES, INC.  
26 301 Stone View Court  
Alhambra Valley  
Martinez, CA 94553

Atty/DLJ 27