

**FILED**

JAN 31 2006

DEPARTMENT OF REAL ESTATE

By *L. Frost*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of ) No. H-8067 SF  
 )  
 RITCHIE ASSET MANAGEMENT COMPANY, )  
 )  
 Respondent. )

ORDER GRANTING REINSTATEMENT OF LICENSE

On August 21, 2002, in Case No. H-8067 SF, a Decision was rendered revoking the corporate real estate broker license of Respondent effective October 7, 2002, but granting Respondent the right to the issuance of a restricted corporate real estate broker license. A restricted corporate real estate broker license was issued to Respondent on October 7, 2002, and Respondent has operated as a restricted licensee since that time.

On November 4, 2004, Respondent petitioned for reinstatement of said corporate real estate broker license, and the Attorney General of the State of California<sup>3</sup> 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 corporate real estate broker license and that it  
6 would not be against the public interest to issue said license to  
7 Respondent.

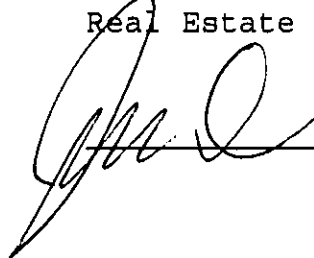
8 NOW, THEREFORE, IT IS ORDERED that Respondent's  
9 petition for reinstatement is granted and that a corporate real  
10 estate broker license be issued to Respondent if Respondent  
11 satisfies the following conditions within nine (9) months from  
12 the date of this Order:

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

15 This Order shall be effective immediately.

16 DATED: 1-20-06

17 JEFF DAVI  
18 Real Estate Commissioner

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FILED  
FEB 01 2006

DEPARTMENT OF REAL ESTATE

By Jean Hunt

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of ) No. H-8067 SF  
CHRISTIAN H. HYGELUND, )  
Respondent. )

ORDER GRANTING REINSTATEMENT OF LICENSE

On August 21, 2002, in Case No. H-8067 SF, a Decision was rendered revoking the real estate broker license of Respondent effective October 7, 2002, 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 October 7, 2002, and Respondent has operated as a restricted licensee since that time.

On November 4, 2004, 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.

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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 be effective immediately.

20 DATED: 1-20-06

21 JEFF DAVIS  
22 Real Estate Commissioner  
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FILED

JAN 31 2006

DEPARTMENT OF REAL ESTATE

By L. Frost

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of ) No. H-8067 SF  
MARK HAIDEN RITCHIE, )  
Respondent. )

ORDER GRANTING REINSTATEMENT OF LICENSE

On August 21, 2002, in Case No. H-8067 SF, a Decision was rendered revoking the real estate broker license of Respondent effective October 7, 2002, 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 October 7, 2002, and Respondent has operated as a restricted licensee since that time.

On October 20, 2004, 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 be effective immediately.

20 DATED: 1-20-06

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

DEPARTMENT OF REAL ESTATE  
P. O. Box 187000  
Sacramento, CA 95818-7000  
Telephone: (916) 227-0789

FILED

SEP 16 2002

DEPARTMENT OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	DRE No. H-8067 SF
	)	
RITCHIE ASSET MANAGEMENT	)	<u>STIPULATION AND AGREEMENT</u>
COMPANY, a Corporation,	)	
CHRISTIAN H. HYGELUND,	)	
and MARK HAIDEN RITCHIE,	)	
	)	
Respondents.	)	

It is hereby stipulated by and between Respondents  
RITCHIE ASSET MANAGEMENT COMPANY (herein "RAMC"), and CHRISTIAN  
H. HYGELUND (herein "HYGELUND"), and MARK HAIDEN RITCHIE (herein  
"RITCHIE") individually and by and through Maxine Monaghan, Esq.,  
attorney of record herein for Respondents, and the Complainant,  
acting by and through James L. Beaver, Counsel for the Department  
of Real Estate (herein "the Department"), as follows for the

DRE No. H-8067 SF

RITCHIE ASSET MANAGEMENT  
CORPORATION, et al.

1 purpose of settling and disposing of the Accusation filed on  
2 March 7, 2002 in this matter (herein "the Accusation"):

3 1. All issues which were to be contested and all  
4 evidence which was to be presented by Complainant and Respondents  
5 at a formal hearing on the Accusation, which hearing was to be  
6 held in accordance with the provisions of the Administrative  
7 Procedure Act (APA), shall instead and in place thereof be  
8 submitted solely on the basis of the provisions of this  
9 Stipulation and Agreement.

10 2. Respondents have received, read and understand the  
11 Statement to Respondent, the Discovery Provisions of the APA and  
12 the Accusation filed by the Department in this proceeding.

13 3. On March 25, 2002, Respondents filed a Notice of  
14 Defense pursuant to Section 11505 of the Government Code for the  
15 purpose of requesting a hearing on the allegations in the  
16 Accusation. Respondents each hereby freely and voluntarily  
17 withdraw said Notice of Defense. Respondents acknowledge that  
18 Respondents understand that by withdrawing said Notice of Defense  
19 Respondents will thereby waive Respondents' right to require the  
20 Real Estate Commissioner (herein "the Commissioner") to prove the  
21 allegations in the Accusation at a contested hearing held in  
22 accordance with the provisions of the APA and that Respondents  
23 will waive other rights afforded to Respondents in connection  
24 with the hearing such as the right to present evidence in defense  
25 of the allegations in the Accusation and the right to cross-  
26 examine witnesses.

27 DRE No. H-8067 SF

RITCHIE ASSET MANAGEMENT  
CORPORATION, et al.



1           4.    This Stipulation is based on the factual  
2           allegations contained in the Accusation. In the interests of  
3           expediency and economy, Respondents choose not to contest these  
4           allegations, but to remain silent and understand that, as a  
5           result thereof, these factual allegations, without being admitted  
6           or denied, will serve as a prima facie basis for the disciplinary  
7           action stipulated to herein. The Real Estate Commissioner shall  
8           not be required to provide further evidence to prove said factual  
9           allegations.

10           5.    It is understood by the parties that the  
11           Commissioner may adopt the Stipulation and Agreement as her  
12           decision in this matter, thereby imposing the penalty and  
13           sanctions on Respondents' real estate license and license rights  
14           as set forth in the "Order" below. In the event that the  
15           Commissioner in her discretion does not adopt the Stipulation and  
16           Agreement, it shall be void and of no effect, and Respondents  
17           shall retain the right to a hearing and proceeding on the  
18           Accusation under all the provisions of the APA and shall not be  
19           bound by any admission or waiver made herein.

20           6.    This Stipulation and Agreement shall not  
21           constitute an estoppel, merger or bar to any further  
22           administrative or civil proceedings by the Department with  
23           respect to any matters which were not specifically alleged to be  
24           causes for accusation in this proceeding.

25           7.    Respondents understand that by agreeing to this  
26           Stipulation and Agreement, Respondents jointly and severally

27   DRE No. H-8067 SF

RITCHIE ASSET MANAGEMENT  
CORPORATION, et al.

1 agree to pay, pursuant to Section 10148 of the California  
2 Business and Professions Code, the cost of the audit which  
3 resulted in the determination that Respondents committed the  
4 trust fund violation(s) found in paragraph I, below, of the  
5 Determination of Issues. The amount of said costs is \$5,045.04

6 8. Respondents further understand that by agreeing to  
7 this Stipulation and Agreement in Settlement, the findings set  
8 forth below in the Determination Of Issues become final, and that  
9 the Commissioner may charge said Respondents, jointly and  
10 severally, for the costs of any audit conducted pursuant to  
11 Section 10148 of the California Business and Professions Code to  
12 determine if the violations have been corrected. The maximum  
13 costs of said audit shall not exceed \$5,045.04.

14 DETERMINATION OF ISSUES

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

19 I

20 The acts and omissions of Respondents as described in  
21 the Accusation are grounds for the suspension or revocation of the  
22 licenses and license rights of Respondents under the following  
23 provisions of the California Business and Professions Code (herein  
24 "the Code") and/or Chapter 6, Title 10, California Code of  
25 Regulations (herein "the Regulations"):

26  
27 DRE No. H-8067 SF

RITCHIE ASSET MANAGEMENT  
CORPORATION, et al.

1 (a) As to Respondent RAMC and Paragraphs VI through  
2 X(a), inclusive, of the Accusation, under Section 10130 of the  
3 Code in conjunction with Section 10177(d) of the Code;

4 (b) As to Respondents RITCHIE and HYGELUND and  
5 Paragraphs VI through X(c), inclusive, of the Accusation, under  
6 Section 10137 of the Code;

7 (c) As to Respondents RITCHIE and HYGELUND and  
8 Paragraphs XIII and XIV, of the Accusation, under Section 10145  
9 of the Code and Sections 2832(a), 2831.2, and 2832.1 of the  
10 Regulations in conjunction with Section 10177(d) of the Code.

11 ORDER

12 I

13 All licenses and licensing rights of Respondent RITCHIE  
14 ASSET MANAGEMENT COMPANY under the Real Estate Law are revoked;  
15 provided, however, a restricted corporate real estate broker  
16 license shall be issued to said Respondent pursuant to Section  
17 10156.5 of the Business and Professions Code if, within 90 days  
18 from the effective date of the Decision entered pursuant to this  
19 Order, Respondent makes application for the restricted license  
20 and pays to the Department of Real Estate the appropriate fee  
21 therefor.

22 The restricted license issued to Respondent shall be  
23 subject to all of the provisions of Section 10156.7 of the  
24 Business and Professions Code and to the following limitations,  
25 conditions and restrictions imposed under authority of Section  
26 10156.6 of that Code:

27 DRE No. H-8067 SF

RITCHIE ASSET MANAGEMENT  
CORPORATION, et al.

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

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

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

17           4. Pursuant to Section 10148 of the Business and  
18 Professions Code, Respondent shall, jointly and severally with  
19 the remaining two Respondents, pay the sum of \$5,045.05 as and  
20 for the Commissioner's cost of the audit which led to this  
21 disciplinary action. Respondent shall pay such cost within 45  
22 days of receiving an invoice therefor from the Commissioner. The  
23 Commissioner may suspend the restricted license issued to  
24 respondent pending a hearing held in accordance with Section  
25 11500, et seq., of the Government Code, if payment is not timely  
26 made as provided for herein, or as provided for in a subsequent

27 DRE No. H-8067 SF

RITCHIE ASSET MANAGEMENT  
CORPORATION, et al.

1 agreement between the Respondent and the Commissioner. The  
2 suspension shall remain in effect until payment is made in full  
3 or until Respondent enters into an agreement satisfactory to the  
4 Commissioner to provide for payment, or until a decision  
5 providing otherwise is adopted following a hearing held pursuant  
6 to this condition.

7         5. Pursuant to Section 10148 of the Business and  
8 Professions Code, Respondent shall, jointly and severally with  
9 the remaining two Respondents, pay the Commissioner's reasonable  
10 cost, not to exceed \$5,045.04, for an audit to determine if  
11 Respondent has corrected the trust fund violation(s) found in  
12 paragraph I of the Determination of Issues. In calculating the  
13 amount of the Commissioner's reasonable cost, the Commissioner  
14 may use the estimated average hourly salary for all persons  
15 performing audits of real estate brokers, and shall include an  
16 allocation for travel time to and from the auditor's place of  
17 work. Respondent shall pay such cost within 45 days of receiving  
18 an invoice therefor from the Commissioner detailing the  
19 activities performed during the audit and the amount of time  
20 spent performing those activities. The Commissioner may suspend  
21 the restricted license issued to respondent pending a hearing  
22 held in accordance with Section 11500, et seq., of the Government  
23 Code, if payment is not timely made as provided for herein, or as  
24 provided for in a subsequent agreement between the Respondent and  
25 the Commissioner. The suspension shall remain in effect until  
26 payment is made in full or until Respondent enters into an

27 DRE No. H-8067 SF

RITCHIE ASSET MANAGEMENT  
CORPORATION, et al.

1 agreement satisfactory to the Commissioner to provide for  
2 payment, or until a decision providing otherwise is adopted  
3 following a hearing held pursuant to this condition.

4 II

5 All licenses and licensing rights of Respondents  
6 CHRISTIAN H. HYGELUND and MARK HAIDEN RITCHIE under the Real  
7 Estate Law are revoked; provided, however, a restricted real  
8 estate broker license shall be issued to each such Respondent  
9 pursuant to Section 10156.5 of the Business and Professions Code  
10 if, within 90 days from the effective date of the Decision  
11 entered pursuant to this Order, the Respondent:

12 (a) makes application for the restricted license and  
13 pays to the Department of Real Estate the appropriate fee  
14 therefor, and

15 (b) prior to and as a condition of the issuance of  
16 said restricted license, submits proof satisfactory to the  
17 Commissioner of having taken and completed at an accredited  
18 institution the continuing education course on trust fund  
19 accounting and handling specified in paragraph (3) of subdivision  
20 (a) of Section 10170.5 of the Business and Professions Code. Said  
21 course must have been completed within 120 days prior to the  
22 issuance of the restricted license. Credit against the continuing  
23 education condition set forth in Paragraph "6" below will be  
24 given for completion of this trust fund accounting and handling  
25 course during the 120 days prior to the issuance of the  
26 restricted license.

27 DRE No. H-8067 SF

RITCHIE ASSET MANAGEMENT  
CORPORATION, et al.

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

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

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

19           3.    Neither Respondent shall be eligible to apply for  
20 the issuance of an unrestricted real estate license or for the  
21 removal of any of the conditions, limitations or restrictions of  
22 a restricted license until two (2) years have elapsed from the  
23 effective date of this Decision.

24           4.    Pursuant to Section 10148 of the Business and  
25 Professions Code, each Respondent shall, jointly and severally  
26 with the remaining two Respondents, pay the sum of \$5,045.04 as

27 DRE No. H-8067 SF

RITCHIE ASSET MANAGEMENT  
CORPORATION, et al.

1 and for the Commissioner's cost of the audit which led to this  
2 disciplinary action. Respondent shall pay such cost within 45  
3 days of receiving an invoice therefor from the Commissioner. The  
4 Commissioner may suspend the restricted license issued to  
5 respondent pending a hearing held in accordance with Section  
6 11500, et seq., of the Government Code, if payment is not timely  
7 made as provided for herein, or as provided for in a subsequent  
8 agreement between the Respondent and the Commissioner. The  
9 suspension shall remain in effect until payment is made in full  
10 or until Respondent enters into an agreement satisfactory to the  
11 Commissioner to provide for payment, or until a decision  
12 providing otherwise is adopted following a hearing held pursuant  
13 to this condition.

14 5. Pursuant to Section 10148 of the Business and  
15 Professions Code, each Respondent shall, jointly and severally  
16 with the remaining two Respondents, pay the Commissioner's  
17 reasonable cost, not to exceed \$5,045.04, for an audit to  
18 determine if Respondent has corrected the trust fund violation(s)  
19 found in paragraph I of the Determination of Issues. In  
20 calculating the amount of the Commissioner's reasonable cost, the  
21 Commissioner may use the estimated average hourly salary for all  
22 persons performing audits of real estate brokers, and shall  
23 include an allocation for travel time to and from the auditor's  
24 place of work. Respondent shall pay such cost within 45 days of  
25 receiving an invoice therefor from the Commissioner detailing the  
26 activities performed during the audit and the amount of time

27 DRE No. H-8067 SF

RITCHIE ASSET MANAGEMENT  
CORPORATION, et al.



1 spent performing those activities. The Commissioner may suspend  
2 the restricted license issued to respondent pending a hearing  
3 held in accordance with Section 11500, et seq., of the Government  
4 Code, if payment is not timely made as provided for herein, or as  
5 provided for in a subsequent agreement between the Respondent and  
6 the Commissioner. The suspension shall remain in effect until  
7 payment is made in full or until Respondent enters into an  
8 agreement satisfactory to the Commissioner to provide for  
9 payment, or until a decision providing otherwise is adopted  
10 following a hearing held pursuant to this condition.

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

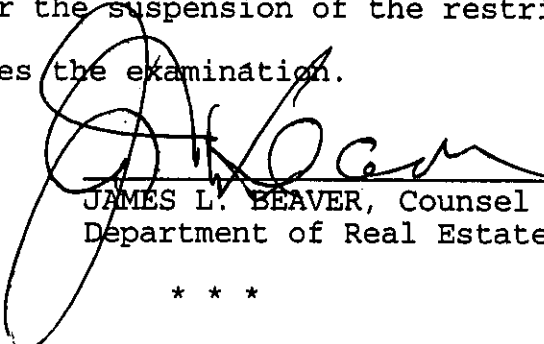
23 7. Each Respondent shall, within six (6) months from  
24 the issuance of the restricted license, take and pass the  
25 Professional Responsibility Examination administered by the  
26 Department, including the payment of the appropriate examination

27 DRE No. H-8067 SF

RITCHIE ASSET MANAGEMENT  
CORPORATION, et al.

1 fee. If Respondent fails to satisfy this condition, the  
2 Commissioner may order the suspension of the restricted license  
3 until Respondent passes the examination.

4 7-31-02  
5 DATED

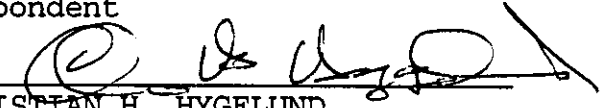
  
JAMES L. BEAVER, Counsel  
Department of Real Estate

6 \* \* \*

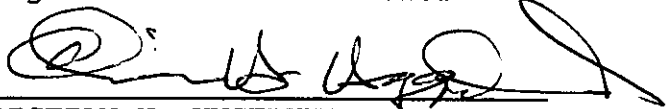
7 I have read the Stipulation and Agreement and have  
8 discussed its terms with my attorney and its terms are understood  
9 by me and are agreeable and acceptable to me. I understand that I  
10 am waiving rights given to me by the California Administrative  
11 Procedure Act (including but not limited to Sections 11506,  
12 11508, 11509, and 11513 of the Government Code), and I willingly,  
13 intelligently, and voluntarily waive those rights, including the  
14 right of requiring the Commissioner to prove the allegations in  
15 the Accusation at a hearing at which I would have the right to  
16 cross-examine witnesses against me and to present evidence in  
17 defense and mitigation of the charges.

18 7/31/02  
19 DATED


RITCHIE ASSET MANAGEMENT CORPORATION  
Respondent

20 By   
CHRISTIAN H. HYGELUND  
Designated Officer - Broker

21  
22 7/31/02  
23 DATED

  
CHRISTIAN H. HYGELUND  
Respondent

24 7/31/02  
25 DATED

  
MARK HAIDEN RITCHIE  
Respondent

26  
27 DRE No. H-8067 SF

RITCHIE ASSET MANAGEMENT  
CORPORATION, et al.

\* \* \*

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

7/30/02  
DATED

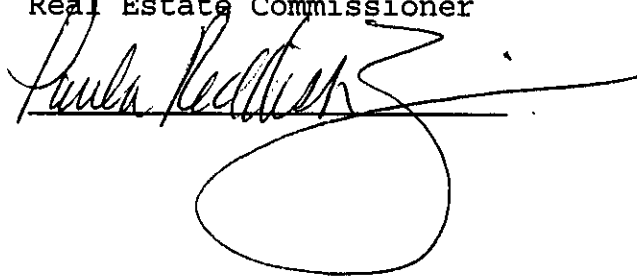
MAXINE MONAGHAN  
Attorney for Respondents

\* \* \*

The foregoing Stipulation and Agreement is hereby  
adopted by as my Decision in this matter and shall become  
effective at 12 o'clock noon on OCTOBER 7, 2002.

IT IS SO ORDERED August 21, 2002.

PAULA REDDISH ZINNEMANN  
Real Estate Commissioner



DRE No. H-8067 SF

RITCHIE ASSET MANAGEMENT  
CORPORATION, et al.

**BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA**

**FILED**

**APR 22 2002**

**DEPARTMENT OF REAL ESTATE**

*In the Matter of the Accusation of*

**RITCHIE ASSET MANAGEMENT  
COMPANY, a Corporation,  
CHRISTIAN H. HYGELUND, and  
MARK HAIDEN RITCHIE,**

**Case No. H-8067 SF**

**OAH No. N-2002040245**

*Respondents*

**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, 1515 CLAY STREET, SUITE 206, OAKLAND, CA 94612** on **MONDAY, AUGUST 5, 2002**, at the hour of **9:00 A.M.**, 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:*** APRIL 19, 2002

**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 (916) 227-0788 (Direct)  
7

FILED  
MAR - 7 2002

DEPARTMENT OF REAL ESTATE  
*Lucille C. Zani*

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

\*\*\*

11 In the Matter of the Accusation of	)	No.: H-8067 SF
	)	
12 RITCHIE ASSET MANAGEMENT	)	<u>ACCUSATION</u>
13 COMPANY, a Corporation,	)	
14 CHRISTIAN H. HYGELUND, and	)	
MARK HAIDEN RITCHIE,	)	
	)	
15 Respondents.	)	

16 The Complainant, Les R. Bettencourt, a Deputy Real  
17 Estate Commissioner of the State of California, for cause of  
18 Accusation against RITCHIE ASSET MANAGEMENT COMPANY (hereinafter  
19 "RAMC"), a corporation, CHRISTIAN B. HYGELUND (hereinafter  
20 "HYGELUND") and MARK HAIDEN RITCHIE (hereinafter "RITCHIE"), is  
21 informed and alleges as follows:

22 I

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

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27 ///

1  
2 II

3 Respondents RAMC, HYGELUND, and RITCHIE (hereinafter  
4 "Respondents") are licensed and/or have license rights under the  
5 Real Estate Law (Part 1 of Division 4 of the Business and  
6 Professions Code) (hereinafter "the Code").

7 III

8 At all times herein mentioned from and after June 5,  
9 2001, Respondent RAMC was and now is licensed by the Department  
10 of Real Estate of the State of California (hereinafter "the  
11 Department") as a corporate real estate broker. Respondent RAMC  
12 was never licensed by the Department as a real estate broker at  
13 any time herein mentioned prior to June 5, 2001.

14 IV

15 At all times herein mentioned, Respondents HYGELUND  
16 and RITCHIE were and now are licensed by the Department as real  
17 estate brokers.

18 V

19 Whenever reference is made in an allegation in this  
20 Accusation to an act or omission of Respondent RAMC, such  
21 allegation shall be deemed to mean that the officers, directors,  
22 employees, agents and real estate licensees employed by or  
23 associated with Respondent RAMC committed such act or omission  
24 while engaged in the furtherance of the business or operations  
25 of Respondent RAMC and while acting within the course and scope  
26 of their corporate authority and employment.

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2 VI

3 At all times herein mentioned, Respondents engaged in  
4 the business of, acted in the capacity of, advertised, or  
5 assumed to act as real estate brokers within the State of  
6 California within the meaning of Sections 10131(b) of the Code,  
7 including the operation and conduct of a property management  
8 business with the public wherein, on behalf of others, for  
9 compensation or in expectation of compensation, Respondents  
10 leased or rented and offered to lease or rent, and placed for  
11 rent, and solicited listings of places for rent, and solicited  
12 for prospective tenants of real property or improvements  
13 thereon, and collected rents from real property or improvements  
14 thereon.

15 VII

16 In so acting as real estate brokers, as described in  
17 Paragraph VI, above, Respondents accepted or received funds in  
18 trust (hereinafter "trust funds") from or on behalf of owners  
19 and tenants in connection with the leasing, renting, and  
20 collection of rents on real property or improvements thereon, as  
21 alleged herein, and thereafter from time to time made  
22 disbursements of said funds.

23 VIII

24 The aforesaid trust funds accepted or received by  
25 Respondents were deposited or caused to be deposited by  
26 Respondents into one or more bank accounts (hereinafter "trust  
27 fund accounts") maintained by Respondents for the handling of  
trust funds, including but not necessarily limited to the

1 following accounts maintained by Respondents at the San Jose,  
2 California, branch of Heritage Bank of Commerce:

3 (a) The "Ritchie Asset Management Co. Trust Account  
4 FBO PAC IBM", Account Number 1513506 (hereinafter "Trust #1");

5 (b) The "Ritchie Asset Management Co. Rental  
6 Accounts", Account Number 1569615 (hereinafter "Bank Account  
7 #1");

8 (c) The "Ritchie Asset Management Co. as Agent for  
9 Ostrich Inc." account, Account Number 1562727 (hereinafter "Bank  
10 Account #2");

11 (d) The "Ritchie Asset Management Co. as Agent for  
12 Ostrich Inc." account, Account Number 1569565 (hereinafter "Bank  
13 Account #3");

14 (e) The "Ritchie Asset Management Co. as Agent for  
15 Marten Berry & Nancy Berry TR" account, Account Number 1550466  
16 (hereinafter "Bank Account #4");

17 (f) The "Ritchie Asset Management Co. as Agent for  
18 Marten Berry & Nancy Berry TR" account, Account Number 1569599  
19 (hereinafter "Bank Account #5");

20 (g) The "Ritchie Asset Management Co. as Agent for  
21 Chinto Partnership" account, Account Number 1565126 (hereinafter  
22 "Bank Account #6");

23 (h) The "Ritchie Asset Management Co. as Agent for  
24 Chinto Partnership" account, Account Number 1569557 (hereinafter  
25 "Bank Account #7"); and

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27 ///



1 (i) The "Ritchie Asset Management Co. as Agent for  
2 Joao Tang & Pui-Keng Leong" account, Account Number 1571660  
3 (hereinafter "Bank Account #8").  
4

5 IX

6 At all times mentioned herein between on or about  
7 June 1, 1999 and on or about March 31, 2001, Respondents RITCHIE  
8 and HYGELUND employed RAMC to perform the acts and conduct the  
9 property management and trust fund handling activities described  
10 above.

11 X

12 In acting as described in Paragraphs VI through IX,  
13 above:

14 (a) Respondent RAMC violated Section 10130 of the  
15 Code;

16 (b) Respondents RITCHIE and HYGELUND willfully  
17 caused, suffered and permitted Respondent RAMC to violate  
18 Section 10130 of the Code; and

19 (c) Respondents RITCHIE and HYGELUND violated Section  
20 10137 of the Code.

21 XI

22 Between on or about April 23, 1999 and on or about  
23 May 3, 2000, Respondents employed Teresa Marie Graves  
24 ("Graves"), then a licensed real estate salesperson, in  
25 connection with Respondents' property management and trust fund  
26 handling activities described above, and in the course of such  
27 employment, Graves engaged in fraud and/or dishonest dealing  
within the meaning of Section 10176(i) of the Code and/or

1 Section 10177(j) of the Code by converting the approximate sum  
2 of \$38,812.11 entrusted to RAMC to Graves' own use or benefit or  
3 to purposes not authorized by the rightful owners of said funds.  
4

5 XII

6 On or about May 3, 2000, RITCHIE and HYGELUND  
7 discharged Graves for committing the acts and omissions  
8 described in Paragraph XI(b), above, but failed from on or about  
9 May 3, 2000 to on or about April 23, 2001 to notify the  
10 Commissioner of that fact as required by Section 10178 of the  
11 Code.

12 XIII

13 Between on or about June 1, 1999 and on or about  
14 March 31, 2001, in course of the property management and trust  
15 fund handling activities described in Paragraphs VI through  
16 VIII, inclusive, above, and in connection with the collection  
17 and disbursement of said trust funds, Respondents:

18 (a) Failed to place trust funds entrusted to  
19 Respondent RAMC into the hands of a principal on whose behalf  
20 the funds were received, into a neutral escrow depository, or  
21 into a trust fund account in the name of Respondent RAMC as  
22 trustee at a bank or other financial institution, in conformance  
23 with the requirements of Section 10145 of the Code and Section  
24 2832(a) of Chapter 6, Title 10, California Code of Regulations  
25 (hereinafter "the Regulations"), in that Respondents placed such  
26 funds in Bank Accounts #1, #2, #3, #4, #5, #6, #7, and #8,  
27 accounts that were not in the name of Respondent RAMC as  
trustee;

1 (b) Failed to reconcile, at least once a month, the  
2 balance of all separate beneficiary or transaction records with  
3 the record of all trust funds received into and disbursed from  
4 Bank Account #1 and Trust Account #1;

5 (c) Caused, suffered or permitted the balance of  
6 funds in Bank Account #1 to be reduced to an amount which, as of  
7 March 31, 2001, was approximately \$4,321.02 less than the  
8 aggregate liability of Respondent RAMC to all owners of such  
9 funds, without the prior written consent of the owners of such  
10 funds; and

11 (d) Caused, suffered or permitted the balance of  
12 funds in Bank Account #2 to be reduced to an amount which, as of  
13 April 28, 2000, was approximately \$38,812.11 less than the  
14 aggregate liability of Respondent RAMC to all owners of such  
15 funds, without the prior written consent of the owners of such  
16 funds.

17 XIV

18 At all times mentioned herein between on or about  
19 June 1, 1999 and on or about March 31, 2001, Respondents RITCHIE  
20 and HYGELUND willfully caused, suffered and permitted Respondent  
21 RAMC to commit the acts and omissions described in Paragraph  
22 XIII, above.

23 XV

24 The facts described in Paragraphs above are grounds  
25 for the suspension or revocation of the licenses and license  
26 rights of Respondents under the following provisions of the Code  
27 and/or the Regulations:

1 (a) As to Respondent RAMC and Paragraphs VI through  
2 X(a), inclusive, above, under Section 10130 of the Code in  
3 conjunction with Section 10177(d) of the Code;  
4

5 (b) As to Respondents RITCHIE and HYGELUND and  
6 Paragraphs VI through X(b), inclusive, above, under Section  
7 10130 of the Code in conjunction with Section 10177(d) of the  
8 Code;  
9

10 (c) As to Respondents RITCHIE and HYGELUND and  
11 Paragraphs VI through X(c), inclusive, above, under Section  
12 10137 of the Code;  
13

14 (d) As to Respondents RITCHIE and HYGELUND and  
15 Paragraphs XI and XII, inclusive, above, under Section 10178 of  
16 the Code in conjunction with Section 10177(d) of the Code;  
17

18 (e) As to Respondents RITCHIE and HYGELUND and  
19 Paragraphs XIII(a) and XIV, above, under Section 10145 of the  
20 Code and Section 2832(a) of the Regulations in conjunction with  
21 Section 10177(d) of the Code;  
22

23 (f) As to Respondents RITCHIE and HYGELUND and  
24 Paragraphs XIII(b) and XIV, above, under Section 10145 of the  
25 Code and Section 2831.2 of the Regulations in conjunction with  
26 Section 10177(d) of the Code; and  
27

(g) As to Respondents RITCHIE and HYGELUND and  
Paragraphs XIII(c), XIII(d) and XIV, above, under Section 10145  
of the Code and Section 2832.1 of the Regulations in conjunction  
with Section 10177(d) of the Code.

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1 WHEREFORE, Complainant prays that a hearing be  
2 conducted on the allegations of this Accusation and that upon  
3 proof thereof, a decision be rendered imposing disciplinary  
4 action against all licenses and license rights of Respondents  
5 under the Real Estate Law (Part 1 of Division 4 of the Business  
6 and Professions Code), and for such other and further relief as  
7 may be proper under other provisions of law.  
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10 LES R. BETTENCOURT  
11 Deputy Real Estate Commissioner

12 Dated at Oakland, California,  
13 this 18th day of January, 2002.  
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