

**FILED**

OCT 09 2014

1 BUREAU OF REAL ESTATE  
2 P. O. Box 137007  
3 Sacramento, CA 95813-7007  
4 Telephone: (916) 263-8670  
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BUREAU OF REAL ESTATE  
By S. Black

9 BEFORE THE BUREAU OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Accusation of	)	
	)	NO. H-11670 SF
13 REAL ESTATE MANAGEMENT	)	
14 SERVICES, INC., and	)	<u>STIPULATION AND AGREEMENT</u>
MICHAEL LEE CARLSON,	)	
	)	
15 Respondents.	)	
	)	

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17 It is hereby stipulated by and between Respondents REAL ESTATE MANAGEMENT  
18 SERVICES, INC. and MICHAEL LEE CARLSON, (collectively "Respondents"), acting by and  
19 through Shannon B. Jones, Esq., Counsel for Respondents, and the Complainant, acting by and  
20 through Annette E. Ferrante, Esq., Counsel for the Bureau of Real Estate ("Bureau"), as follows  
21 for the purpose of settling and disposing of the Accusation filed on April 8, 2014, 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  
26 of this 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 Bureau in  
3 this proceeding.

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

13                   4.       Respondents, pursuant to the limitations set forth below, hereby admit that  
14 the factual allegations in the Accusation filed in this proceeding are true and correct and the  
15 Commissioner shall not be required to provide further evidence to prove such allegations.

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

23                   6.       The Order or any subsequent Order of the Commissioner made pursuant  
24 to this Stipulation and Agreement shall not constitute an estoppel, merger or bar to any further  
25 administrative or civil proceedings by the Bureau with respect to any matters which were not  
26 specifically alleged to be causes for accusation in this proceeding.

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7. Respondents understand that by agreeing to this Stipulation and Agreement, Respondents agree to pay, pursuant to Section 10148 of the California Business and Professions Code (“the Code”), the cost of the audit which resulted in the determination that Respondents committed the trust fund violation(s) found in the Determination of Issues. The amount of such costs is \$5,443.50.

8. Respondents further understand that by agreeing to this Stipulation and Agreement, the findings set forth below in the Determination of Issues become final, and that the Commissioner may charge said Respondents for the costs of any audit conducted pursuant to Section 10148 of the Code to determine if the violations have been corrected. The maximum cost of said audit shall not exceed \$5,443.50.

9. Respondents understand that by agreeing to this Stipulation and Agreement, Respondents agree to pay, pursuant to Section 10106 of the Code, the costs of the enforcement of this case which resulted in the determination that Respondents committed the violation(s) found in the Determination of Issues. The amount of such cost is \$422.75.

DETERMINATION OF ISSUES

By reason of the foregoing stipulations, admissions and waivers and solely for the purpose of settlement of the pending Accusation without hearing, it is stipulated and agreed that the following determination of issues shall be made:

1. The acts and omissions of Respondent REAL ESTATE MANAGEMENT SERVICES, INC. as described in the Accusation are grounds for the suspension or revocation of the licenses and license rights of Respondent under the provisions of Sections 10176(g), 10177(d), and 10177(g) of the Code, in conjunction with Section 10145 of the Code and Section 2831.2 of Title 10 of the California Code of Regulations (“the Regulations”).

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1 II.

2 As to Respondent MICHAEL LEE CARLSON only

3 1. The real estate broker license and license rights of Respondent MICHAEL

4 LEE CARLSON are hereby revoked; provided, however, a restricted real estate broker license  
5 shall be issued to Respondent pursuant to Section 10156.6 of the Code if Respondent makes  
6 application therefore and pays to the Bureau of Real Estate the appropriate fee for the restricted  
7 license within ninety (90) days from the effective date of this Decision. The restricted license  
8 issued to Respondent shall be subject to all of the provisions of Section 10156.7 of the Code and  
9 to the following limitations, conditions, and restrictions imposed under authority of Section  
10 10156.6 of the Code:

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

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

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

24 2. Respondent MICHAEL LEE CARLSON shall, within six (6) months  
25 from the effective date of this Decision, take and pass the Professional Responsibility  
26 Examination administered by the Bureau including the payment of the appropriate examination

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1                                   2.       Pursuant to Section 10148 of the Code, Respondents REAL ESTATE  
2 MANAGEMENT SERVICES, INC. and MICHAEL LEE CARLSON, jointly and severally,  
3 shall pay the Commissioner's reasonable cost, not to exceed \$5,443.50, for an audit to determine  
4 if Respondents have corrected the violation(s) found in the Determination of Issues. In  
5 calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the  
6 estimated average hourly salary for all persons performing audits of real estate brokers, and shall  
7 include an allocation for travel time to and from the auditor's place of work. Respondents shall  
8 pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner.  
9 Payment of the audit costs should not be made until Respondents receive the invoice. If  
10 Respondents fail to satisfy this condition in a timely manner as provided for herein,  
11 Respondents' real estate licenses shall automatically be suspended until payment is made in full,  
12 or until a decision providing otherwise is adopted following a hearing held pursuant to this  
13 condition.

14                                   3.       All licenses and licensing rights of Respondents REAL ESTATE  
15 MANAGEMENT SERVICES, INC. and MICHAEL LEE CARLSON are indefinitely  
16 suspended unless or until Respondents, jointly and severally, pay the sum of \$422.75 for the  
17 Commissioner's reasonable cost of enforcement which led to this disciplinary action. Said  
18 payment shall be in the form of a cashier's check made payable to the Bureau of Real Estate.  
19 The enforcement costs must be delivered to the Bureau of Real Estate, Legal Section at P.O.  
20 Box 137007, Sacramento, CA 95813-7007, prior to the effective date of this Decision.

21                                   4.       No later than six (6) months from the effective date of this Decision,  
22 Respondents REAL ESTATE MANAGEMENT SERVICES, INC. and MICHAEL LEE  
23 CARLSON must provide proof satisfactory to the Commissioner, of having paid, jointly and  
24 severally, the amount of \$52,915.79 as restitution to the victim(s), as described in paragraph  
25 10(b) of the Accusation. If Respondents fail to provide such proof within the time prescribed  
26 herein, all licenses and license rights of Respondents shall be indefinitely suspended until such

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1 proof is delivered to the Commissioner. Proof of satisfaction of this requirement includes: a  
2 certified copy of a satisfaction of judgment; a letter from an attorney or certified public  
3 accountant testifying under penalty of Perjury to the fact that said judgment has been paid by  
4 Respondents; a copy of a cancelled check to the victim(s); and/or a letter from the victim(s)  
5 attesting that repayment of funds has been received or that there is an alternative mutual  
6 agreement between Respondents and the victim(s). Said proof must be delivered to the Bureau  
7 of Real Estate, Legal Section at P.O. Box 137007, Sacramento, CA 95813-7007 or by fax at 916-  
8 263-3767, no later than six (6) months from the effective date of this Decision.

9  
10 09-19-2014

DATED



11 Annette E. Ferrante, Counsel  
12 Bureau of Real Estate  
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I have read the Stipulation and Agreement and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509, and 11513 of the Government Code), and I willingly, intelligently, and voluntarily waive those rights, including the right of requiring the Commissioner to prove the 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. Respondents can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by faxing a copy of the signature page, as actually signed by Respondents, to the Bureau at fax number (916) 263-3767. Respondents agree, acknowledge and understand that by electronically sending to the Bureau a fax copy of Respondents' actual signatures as they appear on the Stipulation and Agreement, that receipt of the faxed copy by the Bureau shall be as binding on Respondents as if the Bureau had received the original signed Stipulation and Agreement.

9/21/14

DATED



REAL ESTATE MANAGEMENT SERVICES, INC., Respondent,  
By Michael Lee Carlson As Designated Officer of Respondent

9/21/14

DATED



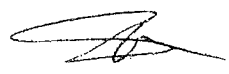
MICHAEL LEE CARLSON,  
Respondent

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

9/22/14

DATED



Shannon B. Jones, Esq.,  
Attorney for Respondents

