

FILED

APR 29 1980

DEPARTMENT OF REAL ESTATE
BY *Chad Springs*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)
ALBERT WINNIKOFF, LILLIAN)
WINNIKOFF, and PAUL JOSEPH)
GRISANTI,)
Respondents.)

No. H-20491 LA
L-18966

ORDER DENYING RECONSIDERATION

On March 11, 1980, a Decision was rendered in the above-entitled matter. The Decision is to become effective on May 2, 1980.

On March 26, 1980, respondent GRISANTI petitioned for reconsideration of the Decision of March 11, 1980.

I have given due consideration to the petition of respondent GRISANTI. I find no good cause to reconsider the Decision of March 11, 1980, and reconsideration is hereby denied.

IT IS SO ORDERED April 28, 1980.

David H. Fox
DAVID H. FOX
Real Estate Commissioner
John W. Burt
Ass't Comm'r.

SAC
FLA

FILED

MAR 31 1980

DEPARTMENT OF REAL ESTATE
BY *David H. Fox*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of)	No. H-20491 LA
ALBERT WINNIKOFF,)	L-18966
LILLIAN WINNIKOFF, and)	
PAUL JOSEPH GRISANTI,)	
Respondents.)	

ORDER STAYING EFFECTIVE DATE

On March 11, 1980, a Decision was rendered in the above-entitled matter to become effective April 2, 1980.

IT IS HEREBY ORDERED that the effective date of the Decision of April 2, 1980, is stayed for a period of 30 days.

The Decision of April 2, 1980, shall become effective at 12 o'clock noon on May 2, 1980.

DATED: March 31, 1980

DAVID H. FOX
Real Estate Commissioner

By: *Leon J. Bernman*
LEON J. BERNMAN
Assistant Commissioner

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

APR 13 1980

DEPARTMENT OF REAL ESTATE
BY R. H. Hubert

In the Matter of the Accusation of

ALBERT WINNIKOFF,
LILLIAN WINNIKOFF, and
PAUL JOSEPH GRISANTI,

Respondent.

No. H-20491 LA

L-18966

DECISION

The Proposed Decision dated February 28, 1980,
of the Administrative Law Judge of the Office of Administrative
Hearings, is hereby adopted as the Decision of the Real Estate
Commissioner in the above-entitled matter.

This Decision shall become effective at 12 o'clock
noon on April 2, 1980

IT IS SO ORDERED

March 11, 1980

David H. Fox
DAVID H. FOX
Real Estate Commissioner

John A. [Signature]
Asst. Commr.

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation)
of)
ALBERT WINNIKOFF,) No. H-20491 LA
LILLIAN WINNIKOFF, and)
PAUL JOSEPH GRISANTI,) L-18966
Respondents.)
_____)

PROPOSED DECISION

This matter came on regularly for hearing before Jerome Schwimmer, Administrative Law Judge of the Office of Administrative Hearings, on February 20, 22 and 25, 1980 at Los Angeles, California. Complainant was represented by George W. Sublette, Counsel. Respondents Albert Winnikoff and Lillian Winnikoff were represented by Conrad Lee Klein, Attorney at Law. Respondent Paul Joseph Grisanti was represented by Gregory Moiseeff, Attorney at Law. Oral and documentary evidence was introduced and the matter was orally argued and submitted for decision. It is now found as follows:

I

Complainant Robert Arnold made the Accusation herein in his official capacity as a Deputy Real Estate Commissioner of the State of California.

II

At all times herein mentioned, respondent Albert Winnikoff was and now is licensed by the Department of Real Estate of the State of California as a real estate broker.

III

At all times herein mentioned, respondent Lillian Winnikoff was and now is licensed by the Department of Real Estate of the State of California as a real estate salesperson in the employ of respondent Albert Winnikoff.

IV

At all times subsequent to August 24, 1977 herein mentioned, respondent Paul Joseph Grisanti was and now is licensed by the Department of Real Estate of the State of California as a real estate salesperson in the employ of respondent Albert Winnikoff.

V

In or about the first week of November 1977, Martha Vincent authorized Louise Hamilton, a California licensed real estate broker, to procure a purchaser for a condominium located at 23901 West Civic Center Way, Unit No. 104, Malibu, California, (hereinafter referred to as "Unit 104"). Martha Vincent was then one of the joint owners of said condominium. Louise Hamilton is the aunt of Martha Vincent, and at the time of the hearing herein she was 73 years of age. The arrangement between Hamilton and Vincent, acting for the joint owners of Unit 104 (hereinafter referred to as "Sellers"), was orally agreed upon between said parties and no written listing agreement was executed.

VI

Before authorizing Louise Hamilton to procure a purchaser for Unit 104, Martha Vincent decided that she wanted to sell the said property for a price which would result in an approximate profit of \$14,000, calculated on the basis of a profit of \$1,000 per month for the approximately 14 months that Sellers had owned said property. Sellers had purchased the said property for a price of \$55,000. Mrs. Vincent may have told Mrs. Hamilton at the time that she authorized the sale of her said property, that she wished to realize a profit of \$14,000 from said sale, over and above the said purchase price of \$55,000, but the evidence is uncertain in this regard. Mrs. Vincent suggested that her aunt call the Winnikoffs to find out their opinion of the worth of Unit 104 since Mrs. Hamilton was not familiar with Malibu property prices. Respondents Albert Winnikoff and Lillian Winnikoff had been involved, approximately one year earlier, as real estate agents in connection with the sale of said Unit 104 to Sellers, and said respondents were active in the real estate business in the Malibu area.

VII

Within a few days after her said conversation with her niece, Mrs. Hamilton telephoned respondent Lillian Winnikoff, advised her that Mrs. Vincent was anxious to sell Unit 104 because they had no further use for it and because of illness in her family. Mrs. Hamilton asked Mrs. Winnikoff about the

state of the market for condominiums in the condominium complex in which Unit 104 was located. The testimony relating to what respondent Lillian Winnikoff told Mrs. Hamilton in response to said inquiry was both conflicting and uncertain. Based upon the weight of the evidence, it is found that no misrepresentation was made by respondent Lillian Winnikoff, or any other respondent herein, to Louise Hamilton with respect to the reasonable market value of said Unit 104, and no representation of any kind with respect to market value was made directly to Sellers by any respondent herein. It is further found that Sellers did not rely upon any representations by respondents, or any of them, with respect to market value of Unit 104 in determining the selling price of said property which would be acceptable to Sellers.

VIII

On November 13, 1977, respondent Lillian Winnikoff telephoned Mrs. Hamilton and informed her that there was someone in the real estate office willing to pay \$70,000 for Unit 104. Mrs. Hamilton advised respondent Lillian Winnikoff that Sellers would accept \$70,000, but that it must be an all cash deal. While the evidence is conflicting and uncertain in this regard, it is found, based upon a preponderance of the evidence, that respondent Lillian Winnikoff did disclose to Louise Hamilton that the said prospective purchaser was respondent Paul Joseph Grisanti, and that he worked part time as a salesperson in the Winnikoff's real estate office. At said time, respondent Grisanti was, in fact, employed in the insurance field full time and worked as a part time salesperson on weekends for respondent Albert Winnikoff. Mrs. Hamilton asked respondent Lillian Winnikoff to open an escrow and stated that she would pick up the papers to take to Santa Barbara to obtain signatures of the Sellers, and Mrs. Hamilton did, in fact, secure the written acceptance of the Grisanti offer by Sellers and did secure their signatures on the escrow instructions. Both the said written offer and the said escrow instructions contained the following language: "All parties are aware that buyer is a real estate licensee acting as a principal and receiving no commission in this transaction." The said documents did not otherwise disclose that the buyer was employed by respondent Albert Winnikoff.

IX

The allegations of paragraph IX of the Accusation herein are found to be untrue. More particularly, it is found not to have been established by the evidence that respondent Albert Winnikoff delivered or caused to be delivered to Mrs. Hamilton, at or about the time the said offer was delivered to her, sales data relating to condominium units represented to be comparable to Unit 104, and it is further found not true that Mrs. Hamilton or Sellers relied on representations made to Mrs. Hamilton by respondents concerning the market value of Unit 104 or respecting the identity of the purchaser of said unit. Further, in this connection, it was not established that

respondents Albert Winnikoff or Lillian Winnikoff knew or should have known that the market value of Unit 104 was greater than \$90,000 or any other sum far in excess of \$70,000.

X

On or about November 14, 1977, an escrow was opened at Security Pacific National Bank and escrow instructions were drawn to consummate the said sale of Unit 104 from Sellers to respondent Grisanti.

XI

On or about November 20, 1977, respondent Grisanti made an application to Great Western Savings and Loan Association for a loan to finance the purchase of Unit 104. In filling out the Great Western Savings residential loan applicant form, respondent Grisanti, acting alone, set forth the following:

A. As the "source of down payment and settlement charges," respondent Grisanti stated "savings";

B. Under "Details of Purchase," respondent Grisanti set forth that, in addition to the \$56,000 "mortgage" there was to be no other financing, and he further set forth that the amount of the cash deposit was \$1,000.

C. Under the heading "Assets" and the subheading "Cash Deposit Toward Purchase Held By," respondent made the following entry "B of A Safe Deposit Box \$15,000". Written instructions of the lender for preparing said application called for the applicant to "State amount of deposit given to seller, real estate broker, builder, escrow company or title company to hold property. Give their name and address."

At the time that respondent Grisanti filled out the said loan application form, the following facts were true: A \$1,000 deposit had been given by Winnikoffs to Louise Hamilton for Sellers and on behalf respondent Grisanti; respondent Grisanti then anticipated that additional financing would be involved in the form of an additional loan from the Winnikoffs, although such additional financing had not yet been arranged; respondent Grisanti did not then have \$15,000 in any Bank of America safe deposit box.

Further in connection with said loan application, respondent Grisanti was advised that he would not qualify for the loan without a co-borrower or guarantor, and that the lending institution would rely upon his having a credit-worthy co-borrower or guarantor.

Respondent Albert Winnikoff did execute a loan guaranty agreement to meet the requirements of the lender for making such loan to respondent Grisanti.

The said loan application made by respondent Grisanti contained misrepresentations, as hereinabove found, and respondent Grisanti knew that said representations were untrue. It is further found, in this connection, that the evidence does not establish that the said misrepresentations by respondent Grisanti were relied upon by the lender in making said loan to respondent Grisanti, nor were said misrepresentations known to or relied upon by sellers.

XII

All monies deposited into the said Vincent-Grisanti escrow to the account of respondent Grisanti for the down payment and escrow costs were furnished directly or indirectly by respondent Albert Winnikoff. It is not true that the purchase of said Unit 104 was made or financed by or for the profit of either respondent Albert Winnikoff or respondent Lillian Winnikoff. It is further found, in this connection, that all monies advanced by the Winnikoffs to respondent Grisanti in connection with the purchase of Unit 104 were advanced solely for the convenience of respondent Grisanti and with the intent on the part of the Winnikoffs to help Grisanti become established in the Malibu area.

XIII

On or about December 30, 1977, the said Vincent-Grisanti escrow closed, consummating the sale of the property from Sellers to Grisanti for a total price of \$70,000. Reimbursement of funds due Grisanti at the close of said escrow were paid by escrow check to Grisanti who endorsed said check to Albert Winnikoff.

XIV

Based upon the evidence produced at the hearing, and as hereinabove found, the allegations of paragraph XIV of the Accusation herein are found to be untrue, and, in this connection, it is specifically found that respondent Grisanti did not act as a "dummy" or "straw man" in the said Vincent-Grisanti transaction.

XV

Based upon the evidence produced herein, and as hereinabove found, the allegations of paragraph XV of the Accusation herein are found to be untrue, both conjunctively and disjunctively.

XVI

On or about January 5, 1978, respondent Lillian Winnikoff negotiated the sale of said Unit 104 from respondent Grisanti to Barbara Forslund at a selling price of \$90,500. On or about January 9, 1978, an escrow was opened to consummate said sale, and the said escrow closed on or about February 15, 1978. Net proceeds in the approximate amount of \$33,000 were due to and paid to respondent Grisanti at the close of said escrow. Shortly after the close of said escrow, respondent Albert Winnikoff and respondent Grisanti jointly calculated the amount owed by Grisanti to Winnikoff to repay loans made to Grisanti, together with certain other miscellaneous credits and debits owed the respective parties, and the said respondents settled their accounts, with Grisanti receiving a balance of the net proceeds remaining from the said sale of Unit 104 to Barbara Forslund.

XVII

The said Vincent-Grisanti and Grisanti-Forslund transactions took place at a time of a highly volatile upward moving market, particularly with respect to condominiums in the Malibu area. There were certain additional factors which acted to depress the realizable price on said Unit 104 when sold by Vincent, and additional other factors which acted to enhance such price when said Unit 104 was sold by respondent Grisanti to Barbara Forslund.

XVIII

It is not true that respondents Albert Winnikoff or Lillian Winnikoff, or either of them, committed acts which constituted a violation of a fiduciary duty owed to the Sellers in the Vincent-Grisanti transaction. Said respondents were not guilty of any acts, omissions or conduct constituting fraud or dishonest dealing in connection with said real estate transaction.

XIX

In completing the loan application to Great Western Savings and Loan Association in connection with the purchase of said Unit 104 from Vincent, as aforesaid, respondent Grisanti was guilty of acts, as hereinabove found, which fall within the meaning of dishonest dealing as used in Business and Professions Code section 10177(j).

XX

Respondent Paul Joseph Grisanti is 26 years old. He was first licensed as a real estate salesperson in August 1977. Under the unusual circumstances of this case, it appears that said respondent has been severely chastened by the filing

of the Accusation and the hearing herein, and it appears extremely unlikely that he would again exercise such poor judgment as he exercised in connection with the filling out of the aforesaid loan application.

* * * * *

The following determination of issues is made pursuant to the foregoing findings of fact:

I

Cause does not exist for disciplinary action against the real estate brokers license of respondent Albert Winnikoff or against the real estate salesperson license of respondent Lillian Winnikoff under the provisions of Business and Professions Code section 10176(i) or otherwise.

II

Cause does exist for disciplinary action against the real estate salesperson's license of respondent Paul Joseph Grisanti under the provisions of Business and Professions Code section 10177(j). The order hereinafter made with respect to said respondent appears warranted based upon the circumstances of this case and it is consistent with the public interest.

* * * * *

WHEREFORE, THE FOLLOWING ORDER is hereby made:

1. The Accusation is dismissed as to respondents Albert Winnikoff and Lillian Winnikoff, and each of them.
2. The real estate salesperson license heretofore issued to respondent Paul Joseph Grisanti by the Department of Real Estate of the State of California is hereby suspended for thirty (30) days; provided that said order of suspension is stayed upon the condition that no further cause for disciplinary action against said respondent occurs within a period of one (1) year from the effective date of this decision. Should cause for disciplinary action against said respondent occur within the said one year period, the said stay of the order of suspension may be vacated and the said suspension reimposed. Should no further cause for disciplinary action against said respondent occur within the said one year period, the stay shall become permanent.

I hereby submit the foregoing which constitutes my Proposed Decision in the above-entitled matter and

recommend its adoption as the decision
of the Real Estate Commissioner.

DATED: FEB 28 1980



JEROME SCHWIMMER,
Administrative Law Judge
Office of Administrative Hearings

JS:jm

1 GEORGE W. SUBLETTE, Counsel
Department of Real Estate
2 107 South Broadway, Room 8107
Los Angeles, CA 90012
3 (213) 620-4790
4
5
6
7

RECEIVED
MAR 28 1979
DEPARTMENT OF REAL ESTATE
BY Laura B. Orona

8 DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * * *

11 In the Matter of the Accusation of) NO. H-20491 LA
12 ALBERT WINNIKOFF,)
13 LILLIAN WINNIKOFF, and) A C C U S A T I O N
14 PAUL JOSEPH GRISANTI,)
15 Respondents.)

16 The complainant, Robert Arnold, a Deputy Real Estate
17 Commissioner of the State of California, for cause of accusation
18 against ALBERT WINNIKOFF, LILLIAN WINNIKOFF, and PAUL JOSEPH
19 GRISANTI alleges as follows:

20 I

21 The complainant, Robert Arnold, a Deputy Real Estate
22 Commissioner of the State of California, makes this accusation in
23 his official capacity.

24 II

25 At all times herein mentioned, ALBERT WINNIKOFF
26 (hereinafter referred to individually as ALBERT WINNIKOFF), has
27 been and now is licensed by the Department of Real Estate of the

1 State of California as a real estate broker.

2 III

3 At all times herein mentioned, LILLIAN WINNIKOFF
4 (hereinafter referred to individually as LILLIAN WINNIKOFF), has
5 been and now is licensed by the Department of Real Estate of the
6 State of California as a real estate salesperson in the employ of
7 respondent ALBERT WINNIKOFF.

8 IV

9 At all times subsequent to August 24, 1977 herein
10 mentioned, PAUL JOSEPH GRISANTI (hereinafter referred to as
11 GRISANTI), has been and now is licensed by the Department of Real
12 Estate of the State of California as a real estate salesperson in
13 the employ of respondent ALBERT WINNIKOFF.

14 V

15 In or about the early part of the month of November
16 1977, prior to November 13, 1977, Martha Vincent, one of the
17 joint owners (hereinafter the "Sellers") of a condominium located
18 at 23901 West Civic Center Way, Unit No. 104, Malibu, California
19 (hereinafter "the Property") authorized Louise Hamilton
20 (hereinafter Hamilton), a California licensed real estate broker,
21 to procure a purchaser for the Property.

22 VI

23 Hamilton was not familiar with the market value of
24 condominium units, comparable to the Property, located in the
25 Malibu area. However, Hamilton was aware that respondents ALBERT
26 and LILLIAN WINNIKOFF (hereinafter collectively "the Winnikoffs")
27 were active in the real estate business in the Malibu area, and had

1 both been involved as real estate agents in the sale of the
2 Property to the Sellers approximately one year earlier. Based
3 upon this knowledge, Hamilton believed that the Winnikoffs would
4 have knowledge of the current market value of the Property.

5
6 VII

7 Within a few days after being authorized to procure
8 a purchaser for the Property and prior to November 13, 1977,
9 Hamilton contacted LILLIAN WINNIKOFF, informed her that the
10 Property was for sale, and requested information from her as to
11 its current market value. Within a few days after making the said
12 contact, and prior to November 13, 1977, Hamilton was informed by
13 LILLIAN WINNIKOFF that she had examined the Property and that she
14 had determined its value to be from \$68,000 to \$70,000. In
15 reliance upon this information as to the market value of the
16 Property, Hamilton advised LILLIAN WINNIKOFF that the selling
17 price of the Property would be \$70,000.

18 VIII

19 On or about November 13, 1977, LILLIAN WINNIKOFF
20 contacted Hamilton and informed her that a prospective purchaser,
21 GRISANTI, had made an offer of \$70,000 for the Property. Within
22 approximately a day thereafter, ALBERT WINNIKOFF, delivered or
23 caused to be delivered to Hamilton a written offer in the form of
24 a Purchase Contract and Receipt for Deposit (hereinafter "the
25 Offer") purportedly from GRISANTI to purchase the Property for
26 \$70,000. Within approximately three days thereafter, Hamilton
27 obtained the acceptance of the Offer by the Sellers and informed
the Winnikoffs of the said acceptance. The Offer did not disclose

1 that GRISANTI was employed by ALBERT WINNIKOFF.

2 IX

3 At or about the time that the Offer was delivered to
4 Hamilton, ALBERT WINNIKOFF delivered or caused to be delivered to
5 Hamilton sales data, including selling prices, which were
6 represented to her to be of condominium units comparable to the
7 Property and which data purportedly supported the valuation of the
8 Property given by LILLIAN WINNIKOFF to Hamilton, as alleged
9 hereinabove. The receipt of this purportedly comparable data
10 caused Hamilton's continued reliance upon the Winnikoffs and upon
11 the information that had been previously supplied and the express
12 and implied representations that had been previously made to
13 Hamilton by the Winnikoffs concerning the market value of the
14 Property and the identity of the purported buyer. In truth and
15 in fact, ALBERT and LILLIAN WINNIKOFF knew or should have known
16 that the purportedly comparable data were misleading and that the
17 market value of the Property was greater than \$90,000 or at least
18 was far in excess of the \$68,000 to \$70,000 value that they had
19 represented to Hamilton.

20 X

21 On or about November 14, 1977, an escrow (hereinafter
22 the Vincent-Grisanti escrow) was opened and escrow instructions
23 were drawn to consummate the sale of the Property to GRISANTI.
24 The escrow instructions did not disclose that GRISANTI was
25 employed by ALBERT WINNIKOFF.

26 XI

27 On or about November 20, 1977, in order to finance the

1 purchase of the Property, GRISANTI made an application with Great
2 Western Savings and Loan Association for a loan. Among the
3 representations made by GRISANTI in the said application were the
4 following, all of which were known by GRISANTI and ALBERT WINNIKOFF
5 to be false but which ALBERT WINNIKOFF nevertheless advised
6 GRISANTI to make:

7 A. That the source of the down payment and the
8 settlement charges were GRISANTI'S "savings".

9 B. That there was no "other financing" involved.

10 C. That no part of the down payment was borrowed
11 by GRISANTI.

12 D. That \$15,000 of the cash deposit toward the
13 purchase of the Property was being held in a
14 bank safe deposit box for GRISANTI.

15 XII

16 In truth and in fact, the purchase of the Property,
17 ostensibly by GRISANTI, was being financed by and for the profit
18 of ALBERT WINNIKOFF, facts well known to GRISANTI and ALBERT
19 WINNIKOFF, and which facts were or should have been known to
20 LILLIAN WINNIKOFF. All monies deposited into the Vincent-Grisanti
21 escrow to the account of GRISANTI for the down payment and escrow
22 costs were furnished directly or indirectly by ALBERT WINNIKOFF.

23 XIII

24 On or about December 30, 1977, the Vincent-Grisanti
25 escrow closed consummating the sale of the Property to GRISANTI
26 for a total price of \$70,000. All reimbursements of funds due
27 GRISANTI at the close of the said escrow were ostensibly made to

1 GRISANTI but, shortly after the close of the said escrow, the
2 said funds were transferred to ALBERT WINNIKOFF.

3

XIV

4 At no time mentioned herein, prior to the close of
5 the Vincent-Grisanti escrow, did the Winnikoffs or GRISANTI or
6 anyone else disclose to or inform Hamilton or the Sellers, and
7 they were not aware, that GRISANTI was currently employed by
8 ALBERT WINNIKOFF as a real estate salesperson, that the purchase
9 of the Property, ostensibly by GRISANTI, was in fact being financed
10 by and for the profit of ALBERT WINNIKOFF, and that GRISANTI was
11 acting merely as a "dummy" or "straw man" in the purchase
12 transaction.

13

XV

14 If Hamilton and/or the Sellers had known the true
15 facts, as alleged hereinabove, they would not have agreed to sell
16 the Property to GRISANTI, or would not have agreed to sell at the
17 price that they did; or, Hamilton and/or the Sellers would at
18 least have been aware that they could not rely upon the Winnikoffs
19 to represent the Sellers' best interests, and would have had the
20 opportunity and would have taken the necessary steps to see that
21 the Sellers' best interests were properly and faithfully represented.
22 In Hamilton's and the Seller's ignorance, they reasonably relied
23 upon the Winnikoffs to represent the Sellers' best interests.

24

XVI

25 On or about January 5, 1978, within six days of the
26 close of the Vincent-Grisanti escrow, LILLIAN WINNIKOFF negotiated
27 the sale of the Property from GRISANTI to Barbara Forslund at a

1 selling price of \$90,500; and, on or about January 9, 1978, an
2 escrow (hereinafter the Grisanti-Forslund escrow) was opened to
3 consummate the sale.

4
XVII

5 On or about February 2, 1978, the Grisanti-Forslund
6 escrow closed consummating the sale of the Property from GRISANTI
7 to Forslund. The net proceeds of \$33,043.40 due GRISANTI at the
8 close of the said escrow were ostensibly paid to GRISANTI; but
9 shortly after the close of the said escrow, the said funds were
10 transferred to ALBERT WINNIKOFF.

11
XVIII

12 The acts of ALBERT WINNIKOFF and LILLIAN WINNIKOFF,
13 in negotiating the sale of the Property by the Sellers and
14 subsequently by GRISANTI, were acts requiring a real estate
15 license and were performed for or in expectation of a compensation.
16 In performing the said acts, the Winnikoffs, and each of them,
17 as real estate licensees, owed a fiduciary duty to the Sellers to
18 act honestly in the best interests of the Sellers and to make full
19 disclosure concerning the Vincent-Grisanti sales transaction to
20 the Sellers and/or their agent, Hamilton. The conduct of the
21 Winnikoffs, and of each of them was in gross violation of that
22 duty.

23
XIX

24 The acts, omissions, and conduct of ALBERT WINNIKOFF
25 and of LILLIAN WINNIKOFF, alleged hereinabove, constitute fraud
26 and dishonest dealing and are grounds for the suspension or
27 revocation of their real estate licenses and license rights under

1 the provisions of Section 10176(i) of the Business and Professions
2 Code of the State of California (hereinafter "the Code").

3
4 XX

5 In connection with the purchase of the Property,
6 GRISANTI had a duty to deal fairly and honestly with Hamilton and
7 the Sellers; and, in applying for the loan to finance the said
8 purchase, GRISANTI owed a similar duty to Great Western Savings
9 and Loan Association. He should have known that his employment
10 by ALBERT WINNIKOFF and the fact that ALBERT WINNIKOFF was
11 assisting in the financing of the purchase of the Property would
12 be material to Hamilton, the Sellers, and to Great Western Savings
13 and Loan Association. However, regardless of his duty, GRISANTI
14 failed to disclose the said material information to them. Instead,
15 GRISANTI cooperated with the Winnikoffs in obtaining the Property
16 through fraud, misrepresentation, and failure to disclose the
17 said material facts.

18 XXI

19 The acts and conduct of PAUL JOSEPH GRISANTI, as
20 alleged hereinabove, constitute fraud and dishonest dealing and
21 are grounds for the suspension or revocation of his real estate
22 license and license rights under the provisions of Section 10177(j)
23 of the Business and Professions Code of the State of California.

24 /
25 /
26 /
27 /

1 WHEREFORE, the complainant prays that the above-
2 mentioned Accusation be set for hearing, and upon proof of the
3 charges contained therein that the Real Estate Commissioner
4 suspend or revoke the licenses held by the respondents, and any
5 and all rights which they may presently have in such licenses,
6 and for such other and further relief as may be proper in the
7 premises under the provisions of Sections 11500 through 11528 of
8 the Government Code, and Section 10100, Division 4, of the Business
9 and Professions Code of the State of California.

10 Dated at Los Angeles, California
11 this 28th day of March, 1979.

12
13 
14 Deputy Real Estate Commissioner

15
16
17
18
19
20
21
22
23
24
25
26
27

cc: Lillian Winnikoff
Joseph Paul Grisanti
Albert Winnikoff
Sacto.
OAH
JRH