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DEPARTMENT OF REAL ESTATE
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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H-21964 LA
)	
KREG PAUL DOUVROS)	
)	
Respondent.)	
)	

ORDER DENYING REINSTATEMENT OF LICENSE

On June 11, 1984, an Order was rendered herein revoking the real estate broker license of KREG PAUL DOUVROS (hereinafter referred to as Respondent), effective August 2, 1984. Respondent was given the right to apply for and receive a restricted real estate broker license which was issued to Respondent on August 2, 1984.

On September 14, 1992, Respondent again filed a petition 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.

I have considered the petition of Respondent and the

1 evidence submitted in support thereof. Respondent has failed to
2 demonstrate to my satisfaction that he has undergone sufficient
3 rehabilitation to warrant the reinstatement of his real estate
4 broker license at this time. This determination has been made
5 in light of Respondent's history of acts and conduct which are
6 substantially related to the qualifications, functions and
7 duties of a real estate licensee. That history includes: _____
8

9
10 1. At all times material herein, Denny Keith Beckham
11 (hereinafter "Beckham") was licensed by the Department as a real
12 estate salesperson, employed by R R Gable, Inc., a licensed real
13 estate corporation, and supervised by Respondent.

14 2. On or about March 8, 1991, while under the
15 supervision of Respondent, and in the course of activities
16 requiring a license, Beckham signed an Exclusive Right to Sell
17 Agreement (hereinafter "Listing Agreement") with Lynette S.
18 Brough, to act as agent for Lynette S. Brough, the seller,
19 (hereinafter the "Seller") of residential real property located
20 at, 5688 Katherine Street, Simi Valley, California (hereinafter
21 the "Property"). The listing price was One Hundred Seventy-Four
22 Thousand Nine Hundred Dollars (\$174,900.00), and required a
23 deposit of Five Thousand Dollars (\$5,000.00).
24

25 3. On or about April 22, 1991, William and/or Gloria
26 Arnold (hereinafter "Arnold"), while acting as agents for
27 William Adam and Helen Kuhlman (hereinafter "the Buyers"),

1 assisted the Buyers in preparing and executing a "Real Estate
2 Purchase Contract and Receipt for Deposit" (hereinafter the
3 "Deposit Receipt"). The Buyers offered to purchase the Property
4 for One Hundred Seventy Thousand Dollars (\$170,000.00), with a
5 deposit of One Thousand Dollars (\$1,000.00).
6

7
8 4. On April 22 and 23, 1991, Arnold attempted to
9 contact Respondent and Beckham in order to present the Buyers'
10 offer. Beckham eventually contacted Arnold to schedule a 4:30
11 p.m. meeting.

12
13 5. On or about April 23, 1991, the Seller wrote a
14 Counteroffer which increased the sale price of the Property to
15 One Hundred Seventy-Three Thousand Dollars (\$173,000.00), with a
16 deposit of Five Thousand Dollars (\$5,000.00). The Counteroffer
17 had to be accepted on or before April 24, 1991, by 8:00 p.m.

18
19 6. On or about April 23, 1991, at approximately 8:30
20 p.m. the Buyers signed the Counteroffer. At approximately 8:40
21 p.m. Arnold delivered the signed acceptance of the Counteroffer
22 to Respondent, and requested that it be delivered to the Seller.

23
24 7. On or about April 23 and 24 1991, Arnold contacted
25 Respondent and Beckham in an attempt to determine whether or not
26 the signed acceptance of the Counteroffer had been presented to
27 the Seller. Respondent indicated that another offer was to be
presented.

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8. On or about April 25, 1991, at approximately 11:30 a.m. Beckham informed Arnold that the Seller was going to accept another offer. Arnold informed the Buyers, who decided to make a new offer for Three Thousand Dollars (\$3,000.00) more than their original Counteroffer and Acceptance. On or about April 25, 1991, at approximately 2:00 p.m. Arnold presented a new offer. The Seller accepted the new offer.

9. The Seller was not informed until on or about April 25, 1991, at approximately 2:00 p.m. that the Buyers had signed her Counteroffer and were now making a second offer for Three Thousand Dollars (\$3,000.00) more than their original Counteroffer and Acceptance. The Seller was only informed by Respondent that she would be presented with new offers, but was not informed that her Counteroffer had been accepted, and a contract already entered into.

10. Respondent was aware of the facts described above, but did not intervene to ensure the Buyers' signed Counteroffer was presented to the Seller in a timely manner and failed to fulfill his duties as the fiduciary of Seller to inform her that she already had a contractual obligation with the Buyer when she was presented with a second offer. Additionally, Respondent failed review, initial and date every instrument prepared or signed by Beckham in connection with transactions for which a real estate license is required, which may have had a material

1 effect upon the rights or obligations of a party to the
2 transaction or, if Respondent delegated said acts to a broker or
3 a salesperson, he failed to make certain that said review was
4 properly completed, in violation of Regulation 2725.
5

6 11. In or about, October 17, 1991, as a result of the
7 aforesaid acts and omissions, the Simi Valley Moorpark Board of
8 Realtors determined that Respondent was in violation of their
9 Code of Ethics and Standard of Practice.
10

11 12. The conduct, acts and omissions of RESPONDENT, as
12 described herein above, are in violation of Section 2785(a)(14)
13 and/or Section 2785(a)(15), of Chapter 6, Title 10, California
14 Code of Regulations (hereinafter the "Regulations") and
15 demonstrates a lack of rehabilitation. This is cause for the
16 denial of Respondent's petition under the provisions of Section
17 10177(d) of the California Business and Professions Code. In
18 addition, the conduct, acts and omissions of Respondent, as
19 described herein above, constitutes demonstrated negligence or
20 incompetence and is additional cause for the denial of
21 Respondent's petition under the provisions of Section 10177(g)
22 of the Code.
23

24 13. Respondent's restricted real estate broker
25 license was issued by the Department on the terms, conditions
26 and restrictions set forth in the Real Estate Commissioner's
27 Order of June 11, 1984, in Case No. H-21964 LA. The Decision

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was effective July 3, 1984. Included in said terms, conditions and restrictions were the following:

"The Real Estate Commissioner may, prior to hearing, suspend the rights of a Respondent to exercise any privileges granted under the restricted license upon receipt of evidence that Respondent violated provisions of the California Real Estate Law, the subdivided lands law, the regulations of the Real Estate Commissioner, or that Respondent has violated conditions attaching to the restricted license".

The facts alleged in Paragraphs 2 through 11, above, provide additional grounds to establish that Respondent is not yet fully rehabilitated and is further grounds to deny Respondent's present petition pursuant to Section 10177(k) of the Business and Professions Code.

NOW, THEREFORE, IT IS ORDERED that Respondent's petition for reinstatement of his unrestricted real estate broker license is hereby denied.

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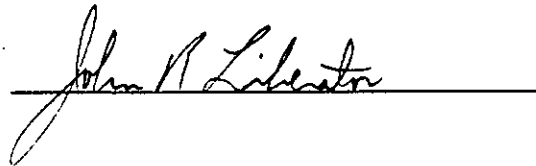
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This order shall become effective at 12 o'clock noon
on May 24, 1994.

DATED: April 28, 1994

CLARK WALLACE
Real Estate Commissioner



BY: **John R. Liberator**
Chief Deputy Commissioner

KREG PAUL DOUVROS
673 Stonehurst Drive
Altadena, California 91106

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filed*

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OCT 21 1984

H. Friedman

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-21964 LA
DANA LYNN POTTER; KREG)	L-31649
PAUL DOUVROS, individually)	
and as designated officer)	
of H&G Realty, Inc., a)	
corporation; and H&G)	
REALTY, INC.,)	
Respondents.)	

ORDER DENYING REINSTATEMENT OF LICENSE

On June 11, 1984, a Decision was rendered herein, effective August 2, 1984, revoking the real estate broker license of respondent KREG PAUL DOUVROS (hereinafter Respondent), but granting him the right to the issuance of a restricted broker license pursuant to Section 10156.5 of the Business and Professions Code (hereinafter Code).

Upon his application and payment of fees, Respondent was issued a restricted real estate broker license on or about August 1, 1984.

1 On October 18, 1985, Respondent petitioned for rein-
2 statement of his real estate broker license and the Attorney
3 General of the State of California has been given notice of the
4 filing of said petition.

5 I have considered the petition of Respondent and the
6 evidence submitted in support thereof. Respondent has failed to
7 demonstrate to my satisfaction that he has undergone sufficient
8 rehabilitation to warrant the reinstatement of his real estate
9 broker license. This determination has been made in light of his
10 history of acts and conduct, which are substantially related to
11 the qualifications, functions and duties of a real estate licensee.
12 That history includes:

13 1. The Decision and subsequent Order revoking
14 Respondent's real estate broker license was based on a Determina-
15 tion of Issues that Respondent, as the designated officer of H&G
16 Realty, Inc. (1) failed to exercise reasonable supervision and
17 control of the activities of the corporation for which a real
18 estate license is required; and (2) demonstrated negligence or
19 incompetence in performing acts for which he was required to hold
20 a license.

21 2. As a limitation, condition and restriction imposed
22 under the authority of Section 10156.6 of the Code upon the
23 restricted real estate broker license issued to Respondent on
24 August 2, 1984, the Real Estate Commissioner reserved the right
25 to "suspend the rights of Respondent to exercise any privileges
26 granted under the restricted license upon receipt of evidence
27 that Respondent violated provisions of the California Real Estate

1 Law, the Subdivided Lands Law, the Regulations of the Real Estate
2 Commissioner, or that Respondent has violated conditions attaching
3 to the restricted license."

4 3. On or about July 14, 1986, after evidence was
5 received by the Department of Real Estate, an Order to Desist and
6 Refrain was filed and directed to H&G REALTY, INC. and Respondent
7 individually and as the designated officer of H&G Realty Inc.
8 based on findings that Respondent, while engaged in activities
9 which required a real estate license, violated Sections 10145
10 and 10177(k) of the Code and also violated Sections 2731, 2830,
11 2831, 2831.1, 2832.1 and 2834 of Chapter 6, Title 10, California
12 Administrative Code (hereinafter the Regulations) during a period
13 of time from September, 1983 through the end of October, 1985.

14 4. Respondent's violations of Real Estate Laws as set
15 forth, above, in Paragraph 3, show a lack of rehabilitation in
16 that they demonstrate that Respondent is still failing to exercise
17 reasonable supervision and control of the activities of the corpor-
18 ation of which he is the designated officer and this is a basis
19 for denial of his petition under Section 2911(j) of the Regula-
20 tions.

21 In addition, Respondent's conduct, described in
22 Paragraph 3, is a violation of the terms, conditions, restrictions,
23 and limitations contained in the Order granting him a restricted
24 license and is further grounds to deny his petition under Sections
25 10177(k) and 10177(d) of the Code.

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NOW, THEREFORE, IT IS ORDERED that Respondent's
petition for reinstatement of his real estate broker license is
denied. This Order shall be effective at 12 o'clock noon on 11-12-86.

DATED: October 17 1986

JAMES A. EDMONDS, JR.
Real Estate Commissioner

By: *John R. Liberator*
JOHN R. LIBERATOR
Chief Deputy Commissioner

cc: Kreg Paul Douvros
5715-1 Topanga Canyon Blvd.
Woodland Hills, CA 91367

FILED

JAN 17 1986

DEPARTMENT OF REAL ESTATE
BY *[Signature]*

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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-21964 LA
DANA LYNN POTTER; KREG)	L-31649
PAUL DOUVROS, individually)	
and as designated officer)	
of H&G Realty, Inc., a)	
corporation; and H&G)	
REALTY, INC.,)	
Respondents..)	

ORDER GRANTING REINSTATEMENT OF LICENSE

On June 11, 1984, a Decision was rendered herein revoking the real estate salesperson license of respondent DANA LYNN POTTER, but granting respondent the right to the issuance of a restricted salesperson license. A restricted real estate salesperson license was issued to respondent POTTER on July 3, 1984, and respondent has operated as a restricted licensee without cause for disciplinary action against him since that time.

On October 18, 1985, respondent POTTER petitioned for reinstatement of said real estate salesperson license and the Attorney General of the State of California has been given notice

1 of the filing of said petition.

2 I have considered respondent POTTER's petition and the
3 evidence and arguments in support thereof. Respondent has
4 demonstrated to my satisfaction that grounds do not presently
5 exist to deny the issuance of an unrestricted real estate
6 salesperson license to him.

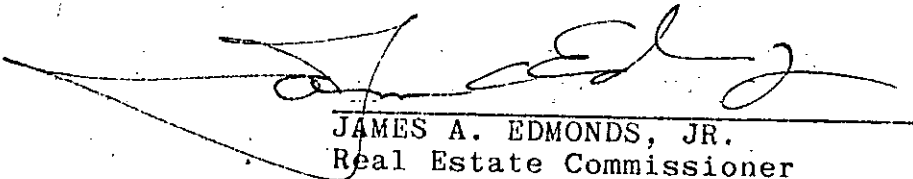
7
8 NOW, THEREFORE, IT IS ORDERED that respondent DANA LYNN
9 POTTER's petition for reinstatement is granted and that a real
10 estate salesperson license be issued to him after he satisfies the
11 following conditions within one (1) year from the date of this
12 Order:

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

15 2. Submittal of evidence of the completion of 45 hours
16 of approved continuing education offerings within the four-year
17 period immediately preceding the date on which the evidence of
18 completion is submitted to the Department.

19 This Order shall be effective immediately.

20 DATED: 1-9-86

21
22 
23 JAMES A. EDMONDS, JR.
24 Real Estate Commissioner

25 cc: Dana Lynn Potter
26 11029 Canby Avenue
27 Northridge, CA 91324

*As to
flag*

FILED

AUG-2 1984

DEPARTMENT OF REAL ESTATE
BY K. Wudersolt

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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-21964 LA
)	
DANA LYNN POTTER, KREG PAUL)	L-31649
DOUVROS, individually and)	
as designated officer of)	
H&G Realty, Inc., a corporation)	
and H&G REALTY, INC.,)	
)	
Respondents.)	
)	

ORDER DENYING RECONSIDERATION

On June 11, 1984, a Decision was rendered in the above-entitled matter. The Decision as to respondent KREG PAUL DOUVROS, only, is to become effective on August 2, 1984.

On June 18, 1984, respondent KREG PAUL DOUVROS petitioned for reconsideration of the Decision of June 11, 1984.

I have given due consideration to the petition of respondent KREG PAUL DOUVROS. I find no good cause to reconsider the Decision of June 11, 1984, and reconsideration is hereby denied.

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IT IS SO ORDERED

July 31, 1984

JAMES A. EDMONDS, JR.
Real Estate Commissioner

By:


ROBERT P. MARTINEZ
Chief Deputy Commissioner

Handwritten scribbles

FILED

JUN 22 1984

DEPARTMENT OF REAL ESTATE
BY *Laura B. Orma*

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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	NO. H-21964 LA
)	
DANA LYNN POTTER; KREG PAUL)	L-31649
.DOUVROS, individually and)	
as designated officer of)	
H&G Realty, Inc., a)	
corporation; and H&G REALTY,)	
INC.,)	
)	
Respondents.)	

ORDER STAYING EFFECTIVE DATE

On June 11, 1984, a Decision was rendered in the above-entitled matter to become effective July 3, 1984.

IT IS HEREBY ORDERED that the effective date of the Decision of June 11, 1984 is stayed for a period of 30 days as to Respondent KREG PAUL DOUVROS only.


The Decision of June 11, 1984 shall become effective at 12 o'clock noon on August 2, 1984 as to Respondent KREG PAUL DOUVROS only.

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The Decision remains effective on July 3, 1984 as to
all other respondents.

DATED: 6/22/84

JAMES A. EDMONDS, JR.
Real Estate Commissioner

By: 
ROBERT ARNOLD
Assistant Commissioner

FILED

JUN 12 1984

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

BY *Sh. Dresser*

In the Matter of the Accusation of)
)
 DANA LYNN POTTER;)
 KREG PAUL DOUVROS, individually)
 and as designated officer of)
 H&G Realty, Inc., a corporation;)
 and H&G REALTY, INC.,)
)
)
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)
 Respondent(s).)

NO. H-21964 LA

L-31649

DECISION

The Proposed Decision dated May 25, 1984,
 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 July 3, 1984.

IT IS SO ORDERED

June 11, 1984

JAMES A. EDMONDS, JR.
Real Estate Commissioner

By: *Robert P. Martinez*
 ROBERT P. MARTINEZ
 Chief Deputy Commissioner

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation)
of:)
)
DANA LYNN POTTER;) No. H-21964 LA
KREG PAUL DOUVROS individually)
and as designated officer of)
H&G Realty, Inc., a Corporation;) L-31649
and H&G REALTY, INC.,)
)
Respondents.)

PROPOSED DECISION

This matter came on regularly for hearing before Jerome Schwimmer, Administrative Law Judge of the Office of Administrative Hearings at Los Angeles, California on May 22, 1984. Complainant was represented by Marjorie P. Mersel, Counsel. Respondent Potter appeared personally and represented himself. Respondent Douvros appeared personally and represented himself and Respondent H&G Realty, Inc. Oral and documentary evidence was received and the matter was submitted for decision. It is now found true as follows:

I

Complainant, Thomas McCrady, made the accusation herein in his official capacity as a Deputy Real Estate Commissioner of the State of California.

II

Pursuant to stipulation entered into by and between the parties hereto, the following facts are found true:

1. Respondent Potter was licensed by the Department of Real Estate of the State of California (hereinafter the Department) as a real estate salesperson on December 2, 1977. On December 1, 1981 respondent Potter's license expired. While he was employed by respondent H&G Realty, Inc. and Douvros on September 17, 1982, he renewed his license under the real estate broker license of respondent Duvros and respondent H&G Realty, Inc.

2. At all times herein mentioned, respondent Kreg Paul Douvros (hereinafter respondent Douvros) was licensed by the Department as a real estate broker.

3. At all times herein mentioned respondent H&G Realty, Inc. was licensed by the Department as a corporate real estate broker by and through its designated officer, respondent Douvros.

4. On or about December 8, 1981 respondent Potter took a listing on behalf of respondent H&G Realty, Inc. to sell real property located at 20334 Tulsa Street, Chatsworth, California (hereinafter Tulsa property). Respondent Potter wrote a Listing Agreement which included a 6% commission for the selling broker.

5. On or about April 24, 1982 respondent Potter showed the Tulsa property to David Auchterlonie (hereinafter Auchterlonie).

6. On or about April 25, 1982, Auchterlonie made an offer to purchase the Tulsa property and respondent Potter wrote up a Deposit Receipt and Agreement of Sale. Auchterlonie gave respondent Potter a check for \$7,500 as a deposit. On or about April 26, 1982 escrow was opened on the Tulsa property.

7. On or about May 19, 1982, Auchterlonie owned real property located at 20770 Nashville, Chatsworth, California (hereinafter the Nashville property) which he listed for sale with respondent H&G Realty, Inc., through respondent Potter. Potter wrote a Listing Agreement on the property which included a 6% commission to the selling broker.

8. On or about May 26, 1982, an offer to purchase the Nashville property was presented by Faith Grove of Century 21 Realty, in the presence of respondent Potter, to Auchterlonie which offer Auchterlonie accepted and escrow was opened on May 27, 1982.

9. On or about May 26, 1982 escrow closed on the Tulsa property and respondent Potter was paid \$12,888.05 commission by respondent H&G Realty, Inc. for his work selling the property.

10. On or about July 30, 1982, escrow closed on the Nashville property. Respondent H&G Realty Inc. was paid a commission of \$5,566 and respondent Potter was paid \$3,339.60 commission by respondent H&G Realty, Inc. for his work selling the property.

11. All acts of respondent Potter were done for a compensation or in expectation of a compensation for performing acts for which a real estate license is required. At no time between December 1, 1981 and September 17, 1982 was respondent Potter licensed to act as a real estate salesperson or broker.

12. Respondents Duvros and H&G Realty, Inc. paid respondent Potter commissions of approximately \$16,277.65 for performing acts for which a real estate license is required during the period from December 1, 1981 to September 16, 1982, during which period respondent Potter's license was expired.

III

Respondent Potter's hereinabove described conduct constitutes acting as a real estate salesperson as defined in Section 10132 of the Business and Professions Code. By so acting, without obtaining a renewal of his expired license, respondent Potter has violated Section 10130 of the Business and Professions Code.

IV

Respondents Douvros and H&G Realty, as Potter's employing broker, did not discover until August 1982 that respondent Potter's license had expired on December 1, 1981 and had not been renewed by him. Respondents Douvros and H&G Realty, Inc. did not at that time maintain accurate office procedures to disclose to them that a sales license was not promptly and properly renewed in a timely fashion. They failed to exercise reasonable supervision over the activities of their salespeople, and they were thereby negligent in the performance of acts requiring a real estate license.

V

The payment to respondent Potter of real estate commissions from December 1, 1981 to September 16, 1982, as aforesaid, constitute the unlawful payment of compensation by respondent Douvros and H&G Realty, Inc.

VI

Respondent Potter discovered in January 1982 that his real estate license had expired. He had, prior to expiration of his license, completed the continuing education requirements for renewal. Several attempts by respondent Potter to renew his license were unsuccessful because he lacked and could not obtain the course number for a continuing education course completed by him and because he submitted his check in an inadequate amount to cover the late renewal charge. The renewal of his salesperson license was not effected until September 17, 1982.

Respondent Potter has not been a subject of any prior disciplinary action. He has taken several continuing education courses since the renewal of his license. He is serving as an investigator for a realty association grievance committee.

VII

Respondents Douvros and H&G Realty, Inc. have taken corrective measures to insure against repetition of a like situation. Close attention is paid to renewal of the licenses of their salespeople. Said respondents have a previously unblemished record.

* * * * *

The following Determination of Issues is made pursuant to the foregoing findings of fact:

I

Cause exists for the imposition of disciplinary action against the license and license rights of respondent Dana Lynn Potter under Section 10177(d) of the Business and Professions Code, based upon his violation of Section 10130 of said Code.

II

Cause exists for the imposition of disciplinary action against the licenses and license rights of respondents Greg Paul Douvros, individually and as designated officer of H&G Realty, Inc., a Corporation and H&G Realty, Inc., as follows:

a. Under Sections 10177(g) and 10177(h) of the Business and Professions Code, based upon finding IV above; and

b. Under Section 10137 of the Business and Professions Code, based upon finding V above.

* * * * *

WHEREFORE, THE FOLLOWING ORDER is hereby made:

1. All licenses and license rights of respondent Dana Lynn Potter under the Real Estate Law (part 1 of Division 4 of Business and Professions Code) are hereby revoked; provided, however, that a restricted real estate salespersons license shall be issued to respondent pursuant to Section 10156.5 of the Business and Professions Code. The restricted license issued to respondent shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and shall be subject to the following limitations, conditions and restrictions imposed under the authority of Section 10156.6 of said Code:

a. Respondent shall comply with all laws to which he is subject, including all provisions of the California Real Estate Law, the subdivided lands laws and all regulations of the Real Estate Commissioner.

b. Respondent shall submit with his application for license under an employing broker, and with any subsequent application for transfer to a new employing broker, a statement signed by said prospective employing broker which shall certify:

(1) That said broker has read the decision of the Commissioner which granted the right to a restricted license; and

(2) That said broker shall exercise close supervision over the performance by the restricted licensee of activities for which a real estate license is required, and that said broker will submit to the department such written report concerning the real estate activities of respondent as shall be requested in writing of said broker by the department.

c. Said restricted license may be suspended prior to hearing by order of the Real Estate Commissioner in the event of respondent's conviction, including a conviction following a plea of nolo contendere, of any crime which bears a substantial relationship to respondent's fitness or capacity as a real estate licensee and may be suspended for any other cause provided for by law.

d. Respondent shall report in writing to the Department of Real Estate, as the Commissioner shall direct in writing at any time while the restricted license remains in effect, submitting such information concerning respondent's activities as a real estate licensee, or concerning respondent's compliance with the terms and conditions hereof, as shall be required by the Commissioner.

2. All licenses and license rights of respondents Kreg Paul Douvros, individually and as designated officer of H&G Realty, Inc., a Corporation, and H&G Realty, Inc. under the Real Estate Law (part 1 of Division 4 of the Business and Professions Code) are hereby revoked; provided, however, that restricted real estate broker licenses shall be issued to said respondents pursuant to Section 10156.5 of the Business and Professions Code. The restricted licenses issued to said respondents shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under the authority of Section 10156.6 of said Code:

a. The Real Estate Commissioner may, prior to hearing, suspend the right of a respondent to exercise any privileges granted under the restricted license in the event of the conviction of respondent of a crime which bears a significant relationship to respondent's fitness or capacity as a real estate licensee.

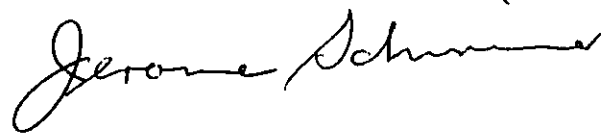
b. The Real Estate Commissioner may, prior to hearing, suspend the rights of a respondent to exercise any privileges granted under the restricted license upon receipt of evidence that respondent violated provisions of the California Real Estate Law, the subdivided lands law, the regulations of the Real Estate Commissioner, or that respondent has violated conditions attaching to the restricted license.

c. Respondent shall report in writing to the Department of Real Estate, as the Real Estate Commissioner may direct by separate written order while the restricted license is in effect, such information concerning respondent's activities

for which a real estate license is required as the Real Estate Commissioner shall deem to be appropriate to protect the public interest.

I recommend that the foregoing Proposed Decision be adopted as the decision of the Real Estate Commissioner.

DATED: MAY 25 1984



JEROME SCHWIMMER
Administrative Law Judge
Office of Administrative Hearings

JS:hk

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of
DANA LYNN POTTER, et al.,

Case No. H-21964 LA
L-31649

Respondent(s)

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 _____

314 West First Street, Los Angeles, California 90012

on the 22nd day of May, 1984, at the hour of 9:00 a.m.,
or as soon thereafter as the matter can be heard, upon the charges made in the
Accusation served upon you.

You may be present at the hearing, and you may be represented by counsel, but you are neither required to be present at the hearing nor to be represented by counsel. If you are not present in person, nor represented by counsel at the hearing, the Department may take disciplinary action against you upon any express admissions, 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.

DATED: March 20, 1984

cc: Dana Lynn Potter
Kreg Paul Douvros
H&G Realty, Inc.
Sacto
CAH
ALS

JAMES A. EDMONDS, JR.
DEPARTMENT OF REAL ESTATE

By

Margorie P. Messel
Counsel

Suits

1 MARJORIE P. MERSEL, Counsel
2 Department of Real Estate
3 107 South Broadway, Room 8107
4 Los Angeles, California 90012
5
6
7
8 (213) 620-4790

Th. O...

8 DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * * *

11	In the Matter of the Accusation of)	NO. H-21964 LA
12	DANA LYNN POTTER;)	<u>A</u> <u>C</u> <u>C</u> <u>U</u> <u>S</u> <u>A</u> <u>T</u> <u>I</u> <u>O</u> <u>N</u>
13	KREG PAUL DOUVROS individually)	
14	and as designated officer of)	
15	H&G Realty, Inc., a Corporation;)	
16	and H&G REALTY, INC.,)	
	Respondents.)	

17 The complainant, Thomas McCrady, a Deputy Real Estate
18 Commissioner of the State of California, for cause of accusation
19 against DANA LYNN POTTER; KREG PAUL DOUVROS individually and as
20 designated officer of H G Realty, Inc., a Corporation; and
21 H&G REALTY, INC., alleges as follows:

22 I

23 The complainant, Thomas McCrady, a Deputy Real Estate
24 Commissioner of the State of California, makes this Accusation in
25 his official capacity.

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II

Respondent POTTER was licensed by the Department of Real Estate of the State of California (hereinafter the Department) as a real estate salesperson on December 2, 1977. On December 1, 1981 respondent POTTER'S license expired. While he was employed by respondent H&G REALTY, INC. and DOUVROS on September 17, 1982, he renewed his license under the real estate broker license of respondent DOUVROS and respondent H&G REALTY, INC.

III

At all times herein mentioned, respondent KREG PAUL DOUVROS (hereinafter respondent DOUVROS) was licensed by the Department as a real estate broker.

IV

At all times herein mentioned respondent H&G REALTY, INC. was licensed by the Department as a corporate real estate broker by and through its designated officer, respondent DOUVROS.

V

On or about December 8, 1981 respondent POTTER took a listing on behalf of respondent H&G REALTY, INC. to sell real property located at 20334 Tulsa Street, Chatsworth, California (hereinafter Tulsa property). Respondent POTTER wrote a Listing Agreement which included a 6% commission for the selling broker.

VI

On or about April 24, 1982, respondent POTTER showed the Tulsa property to David Auchterlonie (hereinafter Auchterlonie).

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VII

On or about April 25, 1982, Auchterlonie made an offer to purchase the Tulsa property and respondent POTTER wrote up a Deposit Receipt and Agreement of Sale. Auchterlonie gave respondent POTTER a check for \$7,500 as a deposit. On or about April 26, 1982 escrow was opened on the Tulsa property.

VIII

On or about May 19, 1982, Auchterlonie owned real property located at 20770 Nashville, Chatsworth, California (hereinafter the Nashville property) which he listed for sale with respondent H&G REALTY, INC., through respondent POTTER. POTTER wrote a Listing Agreement on the property which included a 6% commission to the selling broker.

IX

On or about May 26, 1982, respondent POTTER presented an offer to purchase the Nashville Property to Auchterlonie which Auchterlonie accepted and escrow was opened on May 27, 1982.

X

On or about May 26, 1982 escrow closed on the Tulsa property and respondent POTTER was paid \$12,888.05 commission by respondent H&G REALTY, INC., for his work selling the property.

XI

On or about July 30, 1982, escrow closed on the Nashville property. Respondent H&G REALTY, INC. was paid a commission of \$5,566 and respondent POTTER was paid \$3,339.60 commission by respondent H&G REALTY, INC. for his work selling the property.

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XII

All acts of respondent POTTER were done for a compensation for in expectation of a compensation for performing acts for which a real estate license is required. At no time between December 1, 1981 and September 17, 1982 was respondent POTTER licensed to act as a real estate salesperson or broker.

XIII

Respondent POTTER'S conduct described hereinabove constitutes acting as a real estate salesperson as defined in Section 10132 of the Business and Professions Code. By so acting while not obtaining a renewal of his real estate salesperson's license respondent POTTER has violated Section 10130 of the Business and Professions Code thereby subjecting his real estate license and license rights to suspension or revocation under Section 10177(d) of the Code.

SECOND CAUSE OF ACCUSATION

The complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California for a Second Cause of Accusation alleges as follows:

XIV

Complainant repleads and realleges Paragraphs I through XII of the First Cause of Accusation.

XV

Respondent POTTER'S license expired December 1, 1981. Respondents DOUVROS and H&G REALTY, as POTTER'S employing broker did not discover that POTTER'S license was expired until August, 1982. Respondents DOUVROS and H&G REALTY, INC. did not maintain

1 adequate office procedures to reveal that a sales license was not
2 promptly and properly renewed in a timely fashion.

3 XVI

4 Respondents DOUVROS and H&G REALTY, INC.'S conduct, as
5 heretofore alleged, constitutes failure to exercise reasonable
6 supervision over the activities of their salespeople and,
7 further constitutes negligence in the performing of acts
8 requiring a real estate license, and is grounds for suspension or
9 revocation of respondents real estate licenses and license rights
10 under Sections 10177(g) and 10177(h) of the Business and
11 Professions Code.

12 THIRD CAUSE OF ACCUSATION

13 The complainant, Thomas McCrady, a Deputy Real Estate
14 Commissioner of the State of California for a Third Cause of
15 Accusation alleges as follows:

16 XVII

17 Complainant repleads and realleges Paragraphs I through
18 XII of the First Cause of Accusation.

19 XVIII

20 Respondents DOUVROS and H&G REALTY, INC. paid respondent
21 POTTER commissions of approximately \$16,277.65 for performing
22 acts for which a real estate license is required during the
23 period from December 1, 1981 to September 16, 1982 when respondent
24 POTTER'S license was expired.

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XIX

1
2 Respondents DOUVROS and H&G REALTY, INC.'S conduct as
3 alleged hereinabove constitutes the unlawful payment of compensation,
4 and is grounds for the suspension or revocation of their licenses
5 and license rights under the provisions of Section 10137 of the
6 California Business and Professions Code.

7
8 WHEREFORE, complainant prays that a hearing be conducted
9 on the allegations of this Accusation and, that upon proof thereof,
10 a decision be rendered imposing disciplinary action against all
11 licenses and license rights of respondents DANA LYNN POTTER;
12 KREG PAUL DOUVROS individually and as designated officer of H&G
13 Realty, Inc. and H&G REALTY, INC. under the Real Estate Law and
14 for such other and further relief as may be proper under other
15 applicable provisions of law.

16 Dated at Los Angeles, California

17 this 27th day of February, 1984.

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20 Deputy Real Estate Commissioner

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24
25 cc: Dana Lynn Potter
26 Kreg Paul Douvros
27 H&G Realty, Inc.
Sacto
ALS