

1 Department of Real Estate
107 South Broadway, Room 8107
2 Los Angeles, California 90012
(213) 897-3937

JUN 11 1993

RECEIVED
DEPARTMENT OF REAL ESTATE

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * * *

11 In the Matter of the Accusation of) NO. H-25214 LA
)
12 RUSTIC REALTY, INC., a corporation)
doing business as Rustic Realty,)
13 Inc., Mortgage Division, and)
Century 21 Rustic Realty, Inc.;)
14 and LOGAN ROBERT CROW, individually)
and as designated officer of)
15 Rustic Realty, Inc.,)
)
16 Respondents.)
)

17 STIPULATION AND AGREEMENT IN SETTLEMENT AND ORDER

18 It is hereby stipulated by and between RUSTIC REALTY,
19 INC., a corporation, doing business as Rustic Realty, Inc.
20 Mortgage Division, and Century 21 Rustic Realty, Inc.
21 (hereinafter "RUSTIC"); and LOGAN ROBERT CROW, individually and
22 as designated officer of Rustic Realty, Inc., (hereinafter
23 "CROW") representing themselves and the Complainant, acting by
24 and through Christopher K.S. Leong, Counsel for the Department
25 of Real Estate, as follows for the purpose of settling and
26 disposing of the Accusation filed on October 7, 1992, in this
27 matter:

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

8 2. Respondents have received, reviewed and understand
9 the Accusation, the Statement to Respondent, and the Discovery
10 Provisions of the APA filed by the Department of Real Estate in
11 the above-captioned proceeding.

12 3. On October 16, 1992, Respondent RUSTIC and on
13 October 23, 1992, Respondent CROW, filed their Notices 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, hereby freely and voluntarily withdraw
17 said Notices of Defense. Each Respondent acknowledges that they
18 understand that by withdrawing said Notices of Defense they will
19 thereby waive their right to require the Commissioner to prove
20 the allegations in the Accusation at a contested hearing, held
21 in accordance with the provisions of the APA and that they will
22 waive other rights afforded to them in connection with the
23 hearing such as the right to present evidence in defense of the
24 allegations in the Accusation and the right to cross-examine
25 witnesses.

26 4. Respondents, pursuant to the limitations set forth
27 below, hereby acknowledge that the factual allegations in

1 Paragraphs 1 through 15 of the Accusation filed in this
2 proceeding, are true and correct. The Real Estate Commissioner
3 shall not be required to provide further evidence of such
4 allegations.

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

16 6. The Order, or any subsequent Order of the Real
17 Estate Commissioner, made pursuant to this Stipulation shall not
18 constitute an estoppel, merger or bar to any further
19 disciplinary or civil proceedings by the Department of Real
20 Estate with respect to any matters which are not specifically
21 alleged to be causes for accusation in this proceeding.

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DETERMINATION OF ISSUES

1
2 By reason of the foregoing stipulations, admissions
3 and waivers and solely for the purpose of settlement of the
4 pending Accusation without a hearing, it is stipulated and
5 agreed that the following determination of issues shall be
6 made:

7 The conduct or omissions of Respondent RUSTIC, as set
8 forth in Paragraphs 1 through 15, of the Accusation constitute
9 cause to suspend or revoke his real estate licenses and license
10 rights under the provisions of Section 10177(d) of the Code.

11 The conduct or omissions of Respondent CROW, as set
12 forth in Paragraphs 1 through 15, of the Accusation constitute
13 cause to suspend or revoke his real estate licenses and license
14 rights under the provisions of Section 10177(d) of the Code.

ORDER

15
16 A. The real estate licenses and license rights of
17 Respondent RUSTIC, under the provisions of Part 1 of Division 4
18 of the Business and Professions Code shall be revoked.

19 B. The real estate licenses and license rights of
20 Respondent CROW, under the provisions of Part 1 of Division 4 of
21 the Business and Professions Code shall be suspended for sixty
22 (60) days.

23 C. The first thirty (30) days of the sixty (60) day
24 suspension of Respondent CROW's license shall commence on the
25 effective date of the decision.

26 D. The final thirty (30) days of the sixty (60) day
27 suspension of Respondent CROW's license shall be stayed on the

1 condition that no further cause for disciplinary action against
2 the real estate license and license rights of Respondent shall
3 occur within one (1) year from the effective date of the
4 Decision.

5 If it is determined pursuant to the Administrative
6 Procedure Act that further cause for disciplinary action against
7 the real estate license and license rights of respondent has
8 occurred within one (1) year from the effective date of this
9 Decision, the stay of the final thirty (30) days of the sixty
10 (60) day suspension hereby granted, or such portion thereof as
11 the Real Estate Commissioner shall deem appropriate, shall be
12 immediately vacated.

13 If no further cause for disciplinary action against
14 the real estate license and license rights of Respondent shall
15 occur within one (1) year from the effective date of this
16 Decision, the stay hereby granted shall become permanent.

17 E. Respondent CROW is aware that by agreeing to this
18 Stipulation and Agreement in Settlement, the findings set forth
19 above in the DETERMINATION OF ISSUES become final, and that the
20 Commissioner may charge Respondent CROW for the cost of any
21 audit conducted pursuant to Section 10148 of the Business and
22 Professions Code to determine if the violations have been
23 corrected. The maximum cost of said audit will not exceed
24 \$500.00.

25 F. Respondent, CROW, shall, within six (6) months
26 from the effective date of the decision, take and pass the
27 Professional Responsibility Examination administered by the

1 Department including the payment of the appropriate examination
2 fee. If respondent fails to pass said examination, the
3 Commissioner may order suspension of the restricted license
4 until respondent passes the examination.
5

6
7 DATED: 12/14/92 Christopher K.D. Leong
8 Christopher K.D. Leong
9 Counsel for Complainant

10 * * *

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

22 DATED: 12/14/92 [Signature]
23 JUSTICE REALTY, INC.
24 By: Logan Robert Crow,
25 designated officer
26 Respondent

27 DATED: 12/14/92 [Signature]
LOGAN ROBERT CROW
Respondent

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* * *

The foregoing Stipulation and Agreement in Settlement
and Order is hereby adopted as my Decision and Order and shall
become effective at 12 o'clock noon on January 11, 1993.

IT IS SO ORDERED 1/7/93.

CLARK WALLACE
Real Estate Commissioner



1 Christopher K.D. Leong
2 Department of Real Estate
3 107 South Broadway, Room 8107
4 Los Angeles, CA 90012
5 (213) 897-3937

OCT -7 1992

DEPARTMENT OF REAL ESTATE

BY C. Bay

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

* * * * *

10 In the Matter of the Accusation of) No. H-25214 LA
11)
12 RUSTIC REALTY, INC., a corporation,) ACCUSATION
13 doing business as Rustic Realty, Inc.)
14 Mortgage Division, and Century 21)
15 Rustic Realty, Inc.; and)
16 LOGAN ROBERT CROW as designated)
17 officer of Rustic Realty, Inc.,)
18 Respondents.)

16 The Complainant, Steven J. Ellis, a Deputy Real
17 Estate Commissioner of the State of California, for cause of
18 Accusation against RUSTIC REALTY, INC., a corporation, doing
19 business as Rustic Realty, Inc., Mortgage Division, and
20 Century 21 Rustic Realty, Inc., (hereinafter RUSTIC); and
21 LOGAN ROBERT CROW as designated officer of Rustic Realty,
22 Inc., (hereinafter CROW) (hereinafter sometimes referred to
23 as Respondents) is informed and alleges as follows:

24 1.

25 The Complainant, Steven J. Ellis, a Deputy Real
26 Estate Commissioner of the State of California, makes this
27

1 Accusation against Respondents in his official capacity.

2 2.

3 All Sections of Title 10, Chapter 6, California
4 Code of Regulations, are hereinafter referred to as
5 "Regulations".

6 3.

7 CROW and RUSTIC are presently licensed and/or have
8 license rights under the Real Estate Law, Part 1 of Division
9 4 of the Business and Professions Code (hereinafter "the
10 Code").

11 4.

12 At all times herein mentioned, since approximately April
13 26, 1985, RUSTIC, was licensed by the Department of Real Estate in
14 the State of California (hereinafter "Department") as a real
15 estate corporate broker through its designated officer, CROW.

16 5.

17 CROW was licensed by the Department as a real estate
18 broker since said license was issued on or about April 26, 1985.

19 6.

20 At all times mentioned herein, in California, for
21 compensation or in expectation of compensation, RUSTIC and CROW
22 engaged in the business of, acted in the capacity of, advertised
23 or assumed to act as a real estate broker in the State of
24 California, within the meaning of Section 10131(d), including the
25 operation of a real estate mortgage loan business with the public
26 wherein loans were solicited and made to be secured by real
27 property, wherein such loans were arranged, negotiated, processed,

1 and consummated on behalf of others for compensation or in
2 expectation of compensation.

3 7.

4 Whenever reference is made in an allegation in this
5 Accusation to an act or omission of RUSTIC and/or Respondents,
6 such allegation shall be deemed to mean that the officers,
7 directors, employees, agents and real estate licensees employed by
8 or associated with Respondents, including but not limited to CROW,
9 committed such act or omissions while engaged in the furtherance
10 of the business or operation of Respondents and while acting
11 within the course and scope of their corporate authority and
12 employment.

13 8.

14 At all times herein mentioned, CROW and
15 RUSTIC were acting as the agent or employee of the other and
16 within the course and scope of such agency or employment.

17 9.

18 On February 15, 1991, an Order to Desist and
19 Refrain (hereinafter D&R) case number H-24315 LA, was filed
20 by the Department of Real Estate (hereinafter Department)
21 against RUSTIC and CROW. The D&R cited violations of
22 Sections 10145, 10232(e) and 10240 of the Code and Sections
23 2725, 2830, 2831, 2831.1, 2831.2, 2832.1, 2834 and 2951 of
24 the Regulations.

25 10.

26 The Order issued was for RUSTIC and CROW to Desist
27 and Refrain from performing any and all acts within the State

1 of California for which a real estate broker license is
2 required, unless and until they complied with the above-
3 referenced Real Estate Laws.

4 11.

5 Subsequent to proper service of the Desist and
6 Refrain Order, case number H-24315 LA, RUSTIC and CROW
7 continued to operate in violation of the Order, as set forth
8 in Paragraphs 13, 15(a), 15(b) and 15(c) which is a violation
9 of Section 10086 of the Code which is cause for the
10 suspension or revocation of all licenses and license rights
11 of Respondent RUSTIC and CROW, under Section 10177(d) of the
12 Code.

13 REVIEW OF INSTRUMENTS

14 12.

15 During a period from February 1, 1991 through
16 November 29, 1991, CROW failed to date and initial all
17 material documents prepared by licensees within five (5) days
18 of preparation. Said omission constitutes a violation of
19 Section 2725 of the Regulations.

20 TRUST FUNDS

21 13.

22 From February 1, 1991 to November 29, 1991, in
23 connection with RUSTIC's real estate business activities,
24 CROW accepted or received funds in trust (hereinafter trust
25 funds) from or on behalf of property owners and tenants and
26 thereafter made disbursements of such funds. These trust
27 funds were maintained by RUSTIC in two accounts at one bank.

1 The accounts were at American Independent Bank, 16644 West
2 Redondo Beach Blvd., Gardena, California 90247. The first
3 account was known as: Rustic Realty, Inc., Escrow Division,
4 Trust Account No. 001-304437 (hereinafter TA#1). The other
5 bank account was known as: Rustic Realty, Inc., Mortgage
6 Division, Trust Account No. 001-311182 (hereinafter TA#2).

7 14.

8 In connection with those trust funds described in
9 Paragraph 10, RUSTIC and CROW:

10 (a) as of November 29, 1991, RUSTIC had a deficit
11 in TA#1 of \$6,711.15, in violation of Section 10145 of the
12 Code and Sections 2951 and 2832.1 of the Regulations.

13 (b) as of November 29, 1991, RUSTIC had an overage
14 in TA#2 of \$21.00, in violation of Section 10145 of the Code
15 and Section 2833 of the Regulations.

16 (c) failed to monthly reconcile their control
17 records with the separate records, in violation of Section
18 2831.2 of the Regulations and 10145 of the Code.

19 (d) failed to execute and provide the Mortgage
20 Loan Disclosure Statements to borrowers when applicable, in
21 violation of Section 10240 of the Code.

22 15.

23 The violations of CROW and RUSTIC, as set forth in
24 Paragraph 14, are also cause to suspend or revoke the
25 licenses and license rights of RUSTIC and CROW, pursuant to
26 Section 10177(d) of the Code.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents RUSTIC REALTY, INC., a corporation, doing business as Rustic Realty, Inc., Mortgage Division, and Century 21 Rustic Realty, Inc., and LOGAN ROBERT CROW, under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Los Angeles, California
this 7th day of October, 1992.


Deputy Real Estate Commissioner

cc: Rustic Realty Inc.
Logan Robert Crow
Sacto.
SJC