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FILED
DEC 14 1996
DEPARTMENT OF REAL ESTATE
By *[Signature]*

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) NO. H-25459 LA
MICHAEL CARL MC CORMICK)
Respondent.)
_____)

ORDER GRANTING REINSTATEMENT OF LICENSE

On January 9, 1996, a Decision and Order was rendered herein revoking the real estate broker license of Respondent, MICHAEL CARL MC CORMICK (hereinafter "Respondent"), effective February 15, 1996. In said Decision Respondent was given the right to apply for and receive a restricted real estate broker license which was issued to him on May 28, 1996.

On January 9, 1998, Respondent petitioned for reinstatement of said real estate broker license and the Attorney General of the State of California has been given notice of the filing of said petition.

I have considered Respondent's petition and the evidence and arguments in support thereof. Respondent has

1 demonstrated to my satisfaction that grounds do not presently
2 exist to deny the issuance of an unrestricted real estate
3 broker license to Respondent.

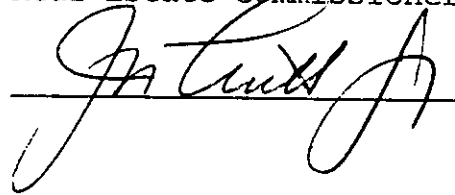
4 NOW, THEREFORE, IT IS ORDERED that Respondent's
5 petition for reinstatement is granted and that an
6 unrestricted real estate broker license be issued to
7 Respondent, MICHAEL CARL MC CORMICK, after Respondent
8 satisfies the following conditions within six months from the
9 date of this Order:

- 10 1. Submittal of a completed application and
11 payment of the fee for a real estate broker license.
- 12 2. Submittal of evidence satisfactory to the Real
13 Estate Commissioner that Respondent has, since his license
14 was revoked, taken and successfully completed the continuing
15 education requirements of Article 2.5 of Chapter 3 of the
16 Real Estate Law for renewal of a real estate license.

17 This Order shall become effective immediately.

18 DATED: 12/1/98

19
20 JIM ANTT, JR.
21 Real Estate Commissioner

22 

23
24 MICHAEL CARL MC CORMICK
25 23450 Sagebrush Way
26 Newhall, California 91321
27



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FILED
 JUN 15 1998
 DEPARTMENT OF REAL ESTATE
 By Laura B. Crow

DEPARTMENT OF REAL ESTATE
 STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) NO. H-25459 LA
)
 CHRISTINA DEWIT)
)
 Respondent.)
 _____)

ORDER GRANTING REINSTATEMENT OF LICENSE

On January 1, 1996, a Decision and Order was rendered herein revoking the real estate salesperson license of Respondent, CHRISTINA DEWIT (hereinafter "Respondent"), effective February 15, 1996, but granting Respondent the right to apply for and be issued a restricted real estate salesperson license. Said restricted real estate salesperson license was issued to Respondent on February 15, 1996.

On October 8, 1997, Respondent petitioned for reinstatement of said real estate salesperson license and the Attorney General of the State of California has been given notice of the filing of said petition.

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

6 NOW, THEREFORE, IT IS ORDERED that Respondent's
7 petition for reinstatement is granted and that an
8 unrestricted real estate salesperson license be issued to
9 Respondent, CHRISTINA DEWIT, after Respondent satisfies the
10 following conditions within one (1) year from the date of
11 this Order:

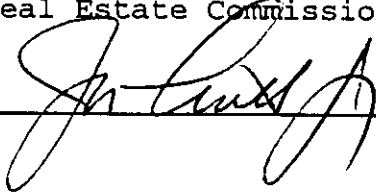
12 1. Submittal of a completed application and
13 payment of the fee for a real estate salesperson license.

14 2. Submittal of evidence satisfactory to the Real
15 Estate Commissioner that Respondent has, since her license
16 was revoked, taken and successfully completed the 45 hours of
17 education required in Section 10170.5 of the Business and
18 Professions Code for renewal of a real estate license.

19
20 This Order shall become effective immediately.

21 DATED: 5/28/98.

22 JIM ANTT, JR.
23 Real Estate Commissioner

24 
25

26 CHRISTINA DEWIT
27 34625 Red River Mine Road
Acton, California 93510

1 Department of Real Estate
2 107 South Broadway, Room 8107
3 Los Angeles, California 90012

4 (213) 897-3937

FILED
MAY 14 1997

DEPARTMENT OF REAL ESTATE

By 

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11	In the Matter of the Accusation of	)	No. H-25459 LA
12	RICHARD EDWIN GROMMON,	)	<u>STIPULATION AND AGREEMENT</u>
13	CHRISTINA DEWIT and	)	<u>IN</u>
14	MICHAEL CARL MC CORMICK,	)	<u>SETTLEMENT AND ORDER</u>
)	
	Respondents)	

15 It is hereby stipulated by and between RICHARD EDWIN
16 GROMMON (sometimes referred to as respondent) and Complainant,
17 acting by and through Elliott MacLennan, Counsel for the
18 Department of Real Estate, as follows for the purpose of
19 settling and disposing of the Accusation filed in this matter on
20 July 16, 1993:

21 1. Respondent has received, read and understands the
22 Statement to Respondent, the Discovery Provisions of the
23 Administrative Procedure Act (APA) and the Accusation filed by
24 the Department of Real Estate in this proceeding.

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2. Respondent timely filed a Notice of Defense pursuant to Section 11505 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondent hereby freely and voluntarily withdraws said Notice of Defense. Respondent acknowledges that he understands that by withdrawing said Notice of Defense he thereby waives his right to require the Commissioner to prove the allegations in the Accusation at a contested hearing held in accordance with the provisions of the APA and that he will waive other rights afforded to him in connection with the hearing such as the right to present evidence in his defense and the right to cross-examine witnesses.

3. This Stipulation and Agreement in Settlement and Order (Stipulation) is based on the factual allegations contained in the Accusation. In the interest of expedience and economy, respondent chooses not to contest these allegations, but to remain silent and understands that, as a result thereof, these factual allegations, without being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to herein. This Stipulation is based on respondent's decision not to contest the Accusation. The Real Estate Commissioner shall not be required to provide further evidence to prove said factual allegations.

4. This Stipulation is based on respondent's decision not to contest the allegations set forth in the Accusation as a result of the agreement negotiated between the parties. This Stipulation, based on respondent's decision not to contest the

1 Accusation, is expressly limited to this proceeding and any
2 further proceeding initiated by or brought before the Department
3 of Real Estate based upon the facts and circumstances alleged in
4 the Accusation, and made for the sole purpose of reaching an
5 agreed disposition of this proceeding. The decision of
6 respondent not to contest the factual statements alleged, and as
7 contained in the stipulated Order, is made solely for the
8 purpose of effectuating this Stipulation. It is the intent and
9 understanding of the parties that this Stipulation shall not be
10 binding or admissible against respondent in any actions against
11 respondent by third parties.

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

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



DETERMINATION OF ISSUES

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

I

6
7 The conduct of respondent RICHARD EDWIN GROMMON
8 as described in Paragraph 4, above, consists of negligence
9 and/or incompetence and a failure to supervise and is a basis
10 for the suspension or revocation of said respondent's license
11 and license rights pursuant to Sections 10145, 10177(d),
12 10177(g) and 10177(h) of the Business and Professions Code
13 (Code).

ORDER

14
15 WHEREFORE THE FOLLOWING ORDER IS MADE PURSUANT TO THE
16 WRITTEN STIPULATION OF THE PARTIES:

I

17
18 The real estate broker license and license rights of
19 respondent under the Real Estate Law (Part 1 of Division 4 of
20 the Code) are hereby revoked; however, respondent shall apply
21 for and be issued a restricted real estate broker license if he
22 makes application therefor and pays to the Department of Real
23 Estate the appropriate fee for said license within ninety (90)
24 days of the effective date of the Decision herein.

25 The restricted real estate broker license issued to
26 respondent shall be subject to all of the provisions of Section
27 10156.7 of the Code and the following limitations, conditions



1 and restrictions imposed under authority of Section 10156.6 of
2 the Code:

3 A. The restricted license may be suspended prior to
4 hearing by Order of the Real Estate Commissioner in the event of
5 respondent's conviction (including conviction of a plea of nolo
6 contendere) to a crime which bears a significant relationship to
7 respondent's fitness or capacity as a real estate licensee.

8 B. The restricted license may be suspended prior to
9 hearing by Order of the Real Estate Commissioner on evidence
10 satisfactory to the Commissioner that respondent has, after the
11 effective date of the Order herein, violated provisions of the
12 California Real Estate Law, the Subdivided Lands Law,
13 Regulations of the Real Estate Commissioner or conditions
14 attaching to said restricted license.

15 C. Respondent shall obey all laws of the United
16 States, the State of California and its political subdivisions,
17 and shall further obey and comply with all rules and regulations
18 of the Real Estate Commissioner.

19 D. Respondent shall not be eligible for the issuance
20 of an unrestricted real estate license nor the removal of any of
21 the conditions, limitations or restrictions of the restricted
22 license until at least one year has elapsed from the effective
23 date of the Decision.

24 E. Respondent shall within six (6) months from the
25 effective date of the restricted license, take and pass the
26 Professional Responsibility Examination administered by the
27 Department including the payment of the appropriate examination



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

4 F. Respondent shall, within twenty-four (24) months
5 from the effective date of the issuance of the restricted
6 license, present evidence satisfactory to the Real Estate
7 Commissioner that Respondent has, since the most recent issuance
8 of an original or renewal real estate license, taken and
9 successfully completed the continuing education requirements of
10 Section 10170.5 operative January 1, 1996, for renewal of a real
11 estate license. If Respondent fails to satisfy this condition,
12 the Commissioner may order the suspension of the restricted
13 license until the respondent presents such evidence. The
14 Commissioner shall afford respondent the opportunity for a
15 hearing pursuant to the Administrative Procedure Act to present
16 such evidence.

17 II

18 A. Respondent RICHARD EDWIN GROMMON shall pay,
19 pursuant to Section 10148 of the Code, the Commissioner's
20 reasonable cost for an audit to determine if respondent has
21 corrected the trust fund violations found in paragraph "I" of
22 the Determination of Issues. In calculating the amount of the
23 Commissioner's reasonable costs, the Commissioner may use the
24 estimated average hourly salary for all Department audit section
25 personnel performing audits of real estate brokers, and shall
26 include an allocation for travel costs, including mileage, time
27



1 to and from the auditor's place of work, and per diem in total
2 amount not to exceed \$4,900.

3 (1) Respondent shall pay such cost within forty-five
4 (45) days of receipt of an invoice from the Commissioner
5 detailing the activities performed during the audit and the
6 amount of time spent performing those activities.

7 (2) If respondent fails to pay, within forty-five
8 (45) days from receipt of the invoice specified above, the
9 Commissioner's reasonable costs for an audit to determine if
10 respondent has corrected the violations found in paragraph "I"
11 of the Determination of Issues, the Commissioner may order the
12 indefinite suspension of respondent's restricted real estate
13 licenses and license rights. The suspension shall remain in
14 effect until payment is made in full, or until respondent enters
15 into an agreement satisfactory to the Commissioner to provide
16 for such payment. The Commissioner shall afford Respondent the
17 opportunity for a hearing pursuant to the Administrative
18 Procedure Act to present such evidence. The Commissioner may
19 impose further reasonable disciplinary terms and conditions upon
20 respondent's real estate license and license rights as part of
21 any such agreement.

22 B. As a condition precedent to the issuance of any
23 restricted license, respondent shall provide evidence
24 satisfactory to Real Estate Commissioner that the deficit of
25 \$245,054.16 set forth in Audit Number LA 930024 has been cured.

26 DATED: 03-18-97

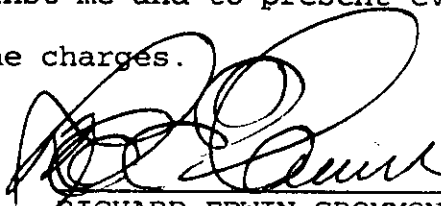
Elliott Mac Lennan
27 ELLIOTT MAC LENNAN
Counsel for Complainant

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* * * *

I have read the Stipulation and Agreement in Settlement and Order 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.

DATED: 3/6/97


RICHARD EDWIN GROMMON
Respondent

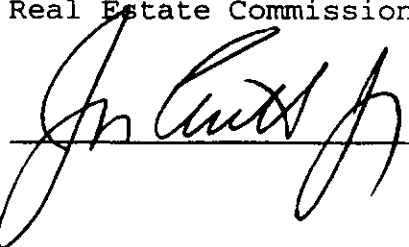
DATED: 3/6/97


BRUCE A. NAHIN
Attorney for Respondent

* * * *

The foregoing Stipulation and Agreement in Settlement is hereby adopted as my Decision and Order and shall become effective at 12 o'clock noon on June 3, 1997.

IT IS SO ORDERED 4/17/97

JIM ANTT, JR.
Real Estate Commissioner


Handwritten initials

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
DEC - 6 1996
DEPARTMENT OF REAL ESTATE

* * * * *

In the Matter of the Accusation of)
)
RICHARD EDWIN GROMMON,)
et al.,)
)
Respondents.)

Case No. H-25459 LA
OAH No. L-9506138

By *[Signature]*

NOTICE OF CONTINUED HEARING ON ACCUSATION

To the above-named Respondents:

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 314 West First Street, Los Angeles, California, on March 19, 1997, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter. The interpreter must be approved by the Administrative Law Judge conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the Administrative Law Judge directs otherwise.

Dated: December 6, 1996.

cc: Richard Edwin Grommon
Bruce A. Nahin, Esq.
Sacto.
OAH

DEPARTMENT OF REAL ESTATE

[Signature]
ELLIOTT MAC LENNAN, Counsel

1 Department of Real Estate
2 107 South Broadway, Room 8107
3 Los Angeles, California 90012

4 (213) 897-3937

FILED
JAN 26 1996
DEPARTMENT OF REAL ESTATE

By 

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11	In the Matter of the Accusation of	)	No. H-25459 LA
12	RICHARD EDWIN GROMMON,	)	<u>STIPULATION AND AGREEMENT</u>
13	CHRISTINA DEWIT and	)	<u>IN</u>
14	MICHAEL CARL MC CORMICK,	)	<u>SETTLEMENT AND ORDER</u>
15)	
16	Respondents)	

16 It is hereby stipulated by and between MICHAEL CARL MC
17 CORMICK (sometimes referred to as respondent) and the
18 Complainant, acting by and through Elliott MacLennan, Counsel
19 for the Department of Real Estate, as follows for the purpose of
20 settling and disposing of the Accusation filed in this matter on
21 July 16, 1993:

22 1. Respondent has received, read and understands the
23 Statement to Respondent, the Discovery Provisions of the
24 Administrative Procedure Act (APA) and the Accusation filed by
25 the Department of Real Estate in this proceeding.

26 /
27 /

1 2. Respondent timely filed a Notice of Defense
2 pursuant to Section 11505 of the Government Code for the purpose
3 of requesting a hearing on the allegations in the Accusation.
4 Respondent hereby freely and voluntarily withdraws said Notice
5 of Defense. Respondent acknowledges that he understands that by
6 withdrawing said Notice of Defense he thereby waives his right
7 to require the Commissioner to prove the allegations in the
8 Accusation at a contested hearing held in accordance with the
9 provisions of the APA and that he will waive other rights
10 afforded to him in connection with the hearing such as the right
11 to present evidence in his defense and the right to cross-
12 examine witnesses.

13 3. This Stipulation and Agreement in Settlement and
14 Order (Stipulation) is based on the factual allegations
15 contained in the Accusation. In the interest of expedience and
16 economy, respondent chooses not to contest these allegations,
17 but to remain silent and understands that, as a result thereof,
18 these factual allegations, without being admitted or denied,
19 will serve as a prima facie basis for the disciplinary action
20 stipulated to herein. This Stipulation is based on respondent's
21 decision not to contest the Accusation. The Real Estate
22 Commissioner shall not be required to provide further evidence
23 to prove said factual allegations.

24 4. This Stipulation is based on respondent's decision
25 not to contest the allegations set forth in the Accusation as a
26 result of the agreement negotiated between the parties. This
27 Stipulation, based on respondent's decision not to contest the



1 Accusation, is expressly limited to this proceeding and any
2 further proceeding initiated by or brought before the Department
3 of Real Estate based upon the facts and circumstances alleged in
4 the Accusation, and made for the sole purpose of reaching an
5 agreed disposition of this proceeding. The decision of
6 respondent not to contest the factual statements alleged, and as
7 contained in the stipulated Order, is made solely for the
8 purpose of effectuating this Stipulation. It is the intent and
9 understanding of the parties that this Stipulation shall not be
10 binding or admissible against respondent in any actions against
11 respondent by third parties.

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

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



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DETERMINATION OF ISSUES

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

I

The conduct of respondent MICHAEL CARL MC CORMICK as described in Paragraph 4, above, consists of negligence and/or incompetence and is a basis for the suspension or revocation of said respondent's license and license rights pursuant to Section 10177(g) of the Code.

ORDER

WHEREFORE THE FOLLOWING ORDER IS MADE PURSUANT TO THE WRITTEN STIPULATION OF THE PARTIES:

I

The real estate broker license and license rights of respondent under the Real Estate Law (Part 1 of Division 4 of the Code) are hereby revoked.

However, respondent shall be entitled to apply for and be issued a restricted real estate broker license if he makes application therefor and pays to the Department of Real Estate the appropriate fee for said license within ninety (90) days of the effective date of the Decision herein.

The restricted real estate broker license issued to respondent shall be subject to all of the provisions of Section 10156.7 of the Code and the following limitations, conditions

1 and restrictions imposed under authority of Section 10156.6 of
2 the Code:

3 A. The restricted license may be suspended prior to
4 hearing by Order of the Real Estate Commissioner in the event of
5 respondent's conviction (including conviction of a plea of nolo
6 contendere) to a crime which bears a significant relationship to
7 respondent's fitness or capacity as a real estate licensee.

8 B. The restricted license may be suspended prior to
9 hearing by Order of the Real Estate Commissioner on evidence
10 satisfactory to the Commissioner that respondent has, after the
11 effective date of the Order herein, violated provisions of the
12 California Real Estate Law, the Subdivided Lands Law,
13 Regulations of the Real Estate Commissioner or conditions
14 attaching to said restricted license.

15 C. Respondent shall obey all laws of the United
16 States, the State of California and its political subdivisions,
17 and shall further obey and comply with all rules and regulations
18 of the Real Estate Commissioner.

19 D. Respondent shall not be eligible for the issuance
20 of an unrestricted real estate license nor the removal of any of
21 the conditions, limitations or restrictions of the restricted
22 license until at least one year has elapsed from the effective
23 date of the Decision.

24 E. Respondent shall within six (6) months from the
25 effective date of the restricted license, take and pass the
26 Professional Responsibility Examination administered by the
27 Department including the payment of the appropriate examination



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

4 F. Respondent shall, within twelve months from the
5 effective date of the issuance of the restricted license,
6 present evidence satisfactory to the Real Estate Commissioner
7 that Respondent has, since the most recent issuance of an
8 original or renewal real estate license, taken and successfully
9 completed the continuing education requirements of Section
10 10170.5 operative January 1, 1996, for renewal of a real estate
11 license. If Respondent fails to satisfy this condition, the
12 Commissioner may order the suspension of the restricted license
13 until the respondent presents such evidence. The Commissioner
14 shall afford respondent the opportunity for a hearing pursuant
15 to the Administrative Procedure Act to present such evidence.

16 II

17 1. Any restricted real estate broker issued to
18 MICHAEL CARL MC CORMICK, under the Real Estate Law is suspended
19 for a period of thirty (30) days from the date said license is
20 issued; provided however, that said suspension shall be stayed
21 upon the terms and conditions of this paragraph:

22 (a) Respondent pays a monetary penalty pursuant to
23 Section 10175.2 of the Business and Professions Code in the
24 amount of One Thousand Five Hundred Dollars (\$1,500);

25 (b) The payment of the monetary penalty shall be in
26 the form of a cashier's check or certified check made payable to
27 the Recovery Account of the Real Estate Fund. Said check must



1 be delivered to the Department prior to the effective date of
2 the Order in this matter;

3 (c) If respondent fails to pay the monetary penalty
4 in accordance with the terms of this paragraph or this Order,
5 the Commissioner may, without a hearing, order the immediate
6 execution of all or any part of the thirty (30) day stayed
7 suspension, in which event the respondent shall not be entitled
8 to any repayment nor credit, prorated or otherwise, for money
9 paid to the Department under the terms of this Order.

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DATED: 12-8-95

Elliott Mac Lennan
ELLIOTT MAC LENNAN
Counsel for Complainant

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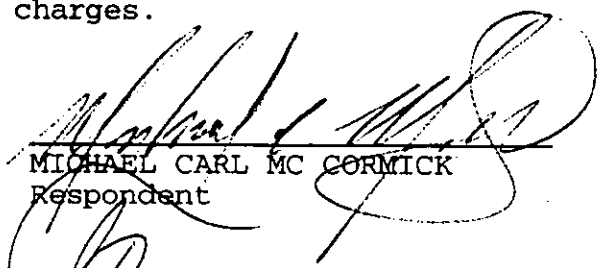
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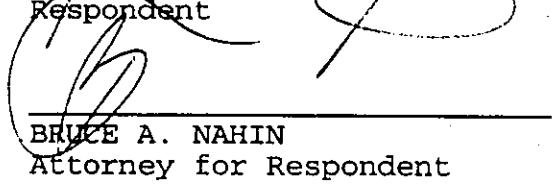
* * * *

I have read the Stipulation and Agreement in Settlement and Order 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.

DATED: 12/13/95


MICHAEL CARL MC CORMICK
Respondent

DATED: 12/13/95

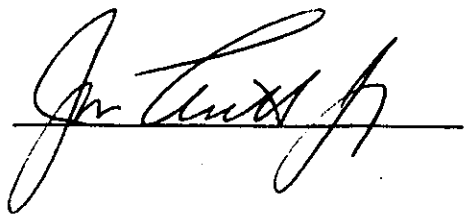

BRUCE A. NAHIN
Attorney for Respondent

* * * *

The foregoing Stipulation and Agreement in Settlement is hereby adopted as my Decision and Order and shall become effective at 12 o'clock noon on February 15, 1996.

IT IS SO ORDERED 1-9-96

JIM ANTT, JR.
Real Estate Commissioner



1 Department of Real Estate
2 107 South Broadway, Room 8107
3 Los Angeles, California 90012
4
5 (213) 897-3937

FILED
JAN 26 1996
DEPARTMENT OF REAL ESTATE

By 

8 DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * * *

11 In the Matter of the Accusation of) No. H-25459 LA
12 RICHARD EDWIN GROMMON,)
13 CHRISTINA DEWIT and) STIPULATION AND AGREEMENT
14 MICHAEL CARL MC CORMICK,) IN
15 Respondents) SETTLEMENT AND ORDER

16 It is hereby stipulated by and between CHRISTINA DEWIT
17 (sometimes referred to as respondent) and the Complainant,
18 acting by and through Elliott MacLennan, Counsel for the
19 Department of Real Estate, as follows for the purpose of
20 settling and disposing of the Accusation filed in this matter on
21 July 16, 1993:

22 1. Respondent has received, read and understands the
23 Statement to Respondent, the Discovery Provisions of the
24 Administrative Procedure Act (APA) and the Accusation filed by
25 the Department of Real Estate in this proceeding.

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2. Respondent timely filed a Notice of Defense pursuant to Section 11505 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondent hereby freely and voluntarily withdraws said Notice of Defense. Respondent acknowledges that she understands that by withdrawing said Notice of Defense she thereby waives her right to require the Commissioner to prove the allegations in the Accusation at a contested hearing held in accordance with the provisions of the APA and that she will waive other rights afforded to her in connection with the hearing such as the right to present evidence in her defense and the right to cross-examine witnesses.

3. This Stipulation and Agreement in Settlement and Order (Stipulation) is based on the factual allegations contained in the Accusation. In the interest of expedience and economy, respondent chooses not to contest these allegations, but to remain silent and understands that, as a result thereof, these factual allegations, without being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to herein. This Stipulation is based on respondent's decision not to contest the Accusation. The Real Estate Commissioner shall not be required to provide further evidence to prove said factual allegations.

4. This Stipulation is based on respondent's decision not to contest the allegations set forth in the Accusation as a result of the agreement negotiated between the parties. This Stipulation, based on respondent's decision not to contest the

1 Accusation, is expressly limited to this proceeding and any
2 further proceeding initiated by or brought before the Department
3 of Real Estate based upon the facts and circumstances alleged in
4 the Accusation, and made for the sole purpose of reaching an
5 agreed disposition of this proceeding. The decision of
6 respondent not to contest the factual statements alleged, and as
7 contained in the stipulated Order, is made solely for the
8 purpose of effectuating this Stipulation. It is the intent and
9 understanding of the parties that this Stipulation shall not be
10 binding or admissible against respondent in any actions against
11 respondent by third parties.

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

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



1 DETERMINATION OF ISSUES

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

6 I

7 The conduct of respondent CHRISTINA DEWIT as described
8 in Paragraph 4, above, consists of negligence and/or
9 incompetence and is a basis for the suspension or revocation of
10 said respondent's license and license rights pursuant to Section
11 10177(g) of the Code.

12 ORDER

13 WHEREFORE THE FOLLOWING ORDER IS MADE PURSUANT TO THE
14 WRITTEN STIPULATION OF THE PARTIES:

15 I

16 The real estate salesperson license and license rights
17 of respondent under the Real Estate Law (Part 1 of Division 4 of
18 the Code) are hereby revoked.

19 However, respondent shall be entitled to apply for and
20 be issued a restricted real estate salesperson license if she
21 makes application therefor and pays to the Department of Real
22 Estate the appropriate fee for said license within ninety (90)
23 days of the effective date of the Decision herein.

24 The restricted real estate salesperson license issued
25 to respondent shall be subject to all of the provisions of
26 Section 10156.7 of the Code and the following limitations,
27



1 conditions and restrictions imposed under authority of Section
2 10156.6 of the Code:

3 A. The restricted license may be suspended prior to
4 hearing by Order of the Real Estate Commissioner in the event of
5 respondent's conviction (including conviction of a plea of nolo
6 contendere) to a crime which bears a significant relationship to
7 respondent's fitness or capacity as a real estate licensee.

8 B. The restricted license may be suspended prior to
9 hearing by Order of the Real Estate Commissioner on evidence
10 satisfactory to the Commissioner that respondent has, after the
11 effective date of the Order herein, violated provisions of the
12 California Real Estate Law, the Subdivided Lands Law,
13 Regulations of the Real Estate Commissioner or conditions
14 attaching to said restricted license.

15 C. Respondent shall obey all laws of the United
16 States, the State of California and its political subdivisions,
17 and shall further obey and comply with all rules and regulations
18 of the Real Estate Commissioner.

19 D. Respondent shall not be eligible for the issuance
20 of an unrestricted real estate license nor the removal of any of
21 the conditions, limitations or restrictions of the restricted
22 license until at least one year has elapsed from the effective
23 date of the Decision.

24 E. Respondent shall within six (6) months from the
25 effective date of the restricted license, take and pass the
26 Professional Responsibility Examination administered by the
27 Department including the payment of the appropriate examination



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

4 F. Respondent shall, within twelve months from the
5 effective date of the issuance of the restricted license,
6 present evidence satisfactory to the Real Estate Commissioner
7 that Respondent has, since the most recent issuance of an
8 original or renewal real estate license, taken and successfully
9 completed the continuing education requirements of Section
10 10170.5 operative January 1, 1996, for renewal of a real estate
11 license. If Respondent fails to satisfy this condition, the
12 Commissioner may order the suspension of the restricted license
13 until the respondent presents such evidence. The Commissioner
14 shall afford respondent the opportunity for a hearing pursuant
15 to the Administrative Procedure Act to present such evidence.

16 G. With the application for license, or with the
17 application for transfer to a new employing broker, respondent
18 shall submit a statement signed by the prospective employing
19 broker on a form approved by the Department of Real Estate
20 wherein the employing broker shall certify as follows:

21 (1) That the broker has read the Decision
22 and Order of the Commissioner which
23 granted the right to a restricted
24 license; and

25 (2) That the broker will exercise close
26 supervision over the performance by
27 the restricted licensee of activities



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for which a real estate license is
required.

II

1. Any restricted license issued to CHRISTINA DEWIT,
under the Real Estate Law is suspended for a period of thirty
(30) days from the date said license is issued; provided
however, that said suspension shall be stayed upon the terms and
conditions of this paragraph:

(a) Respondent pays a monetary penalty pursuant to
Section 10175.2 of the Business and Professions Code in the
amount of One Thousand Five Hundred Dollars (\$1,500);

(b) The payment of the monetary penalty shall be in
the form of a cashier's check or certified check made payable to
the Recovery Account of the Real Estate Fund. Said check must
be delivered to the Department prior to the effective date of
the Order in this matter;

(c) If respondent fails to pay the monetary penalty
in accordance with the terms of this paragraph or this Order,
the Commissioner may, without a hearing, order the immediate
execution of all or any part of the thirty (30) day stayed

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1 suspension, in which event the respondent shall not be entitled
2 to any repayment nor credit, prorated or otherwise, for money
3 paid to the Department under the terms of this Order.

4 DATED: 12-8-95 *Elliott Mac Lennan*
5 ELLIOTT MAC LENNAN
6 Counsel for Complainant

7 * * * *

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

19 DATED: Dec. 12 - 95 *Christina Dewit*
20 CHRISTINA DEWIT
21 Respondent.

22 DATED: 12/13/95 *Bruce A. Nahin*
23 BRUCE A. NAHIN
24 Attorney for Respondent

25 /
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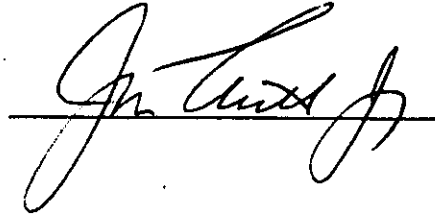
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* * * *

The foregoing Stipulation and Agreement in Settlement
is hereby adopted as my Decision and Order and shall become
effective at 12 o'clock noon on February 15, 1996.

IT IS SO ORDERED 1-9-96.

JIM ANTT, JR.
Real Estate Commissioner



*SALVO,
FLAV*

ELLIOTT MAC LENNAN, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012

(213) 897-3937

FILED
AUG 11 1995
DEPARTMENT OF REAL ESTATE

by *[Signature]*

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DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	
)	
RICHARD EDWIN GROMMON,	)	No. H-25459 LA
CHRISTINA DEWIT, and	)	L-9506138
MICHAEL CARL MC CORMICK,)	
	)	AMENDMENT TO ACCUSATION
Respondents.)	

The Accusation filed July 16, 1993 is amended in its entirety.

Preamble

The Complainant, Peter F. Hurst, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against RICHARD EDWIN GROMMON, dba Realty Executives, Executive Referral Realty, Realty Executive-Canyon Country, Realty Executive-Coachella Valley, Realty Executive-Los Angeles/Ventura Counties, Realty Executive-Pacific Group, Realty Executive-Palm Springs, Realty Executive-Santa Clarita, Realty Executive-Ventura, Oxnard & Camarillo, and Realty Executive-Valencia; CHRISTINA DEWIT; and MICHAEL CARL MC CORMICK, is informed and alleges in his official capacity as follows:

FIRST CAUSE OF ACTION

1.
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2

3 All references to the "Code" are to the California
4 Business and Professions Code and all references to "Regulations"
5 are to Chapter 6, Title 10, California Code of Regulations.

2.
6

7 RICHARD EDWIN GROMMON (GROMMON), sometimes referred to
8 as respondent, is presently licensed and/or has license rights
9 under the Real Estate Law (Part 1 of Division 4 of the Code) as a
10 real estate broker. GROMMON was originally licensed by the
11 Department of Real Estate as a real estate broker on
12 March 5, 1979.

3.
13

14 CHRISTINA DEWIT (DEWIT), sometimes referred to as
15 respondent, is presently licensed and/or has license rights under
16 the Real Estate Law (Part 1 of Division 4 of the Code) as a real
17 estate salesperson. DEWIT was originally licensed by the
18 Department of Real Estate as a real estate salesperson on October
19 17, 1988.

4.
20

21 MICHAEL CARL MC CORMICK (MC CORMICK), sometimes referred
22 to as respondent, is presently licensed and/or has license rights
23 under the Real Estate Law (Part 1 of Division 4 of the Code) as a
24 real estate broker. MC CORMICK was originally licensed by the
25 Department of Real Estate as a real estate broker on September 6,
26 1981.

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5.

At all times herein mentioned, in the city of Santa Clarita, Los Angeles County, respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as real estate brokers and salesperson, within the meaning of Section 10131(a) of the Code including the operation of a real estate sale business with the public wherein, on behalf of others and for compensation or in expectation of compensation, respondents sold or offered to sell, bought or offered to buy, solicited prospective sellers or purchasers of, solicited or obtained listings of, or negotiated the purchase, sale or exchange of real property.

Audit No. LA 910505

6.

On February 19, 1992, the Department completed an examination of the books and records pertaining to the licensed activities of respondent GROMMON covering a period of time beginning on January 1, 1991 and ending on January 31, 1992 which revealed the following violations of the Code and Regulations as set forth in the following paragraphs.

7.

In connection with the aforesaid real estate activities described in Paragraphs 5 and 6, GROMMON, accepted or received funds in trust (trust funds) from or on behalf of buyers and sellers. Respondent GROMMON deposited certain of these funds into the following accounts at the Western Bank, Westwood Office, 1251

/



Westwood Blvd., Los Angeles, California:

1. "Realty Executives Escrow Division Trust Account
Account No. 069-691-694321"
(Escrow Account)

2. "Realty Executives/CC Account"
Account No. 125-406251-4
(Corporate Trust Account)

8.

In connection with the trust funds referred to in Paragraph 7, above, GROMMON acted in violation of the Code and Regulations because he:

(a) failed to name the broker as the trustee for the trust accounts and failed to designate the accounts as trust accounts for the collection of credit and appraisal fees, as required by Code Section 10145 and Regulation 2830.

9.

The conduct of respondent GROMMON, described in Paragraph 8, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
8	Section 10145 of the Code, and Regulation 2830

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SECOND CAUSE OF ACTION

1
2 Complainant incorporates herein the Preamble and the allegations
3 of Paragraphs 1 through 9, inclusive, herein above

4 10.

5 On December 15, 1990, Larry and Peggy Spellman (Sellers)
6 listed their home at 27908 Adon Avenue, Canyon Country, California
7 (subject property) with DEWIT. DEWIT was working as a salesperson
8 under the employment of GROMMON of Realty Executives.

9 11.

10 On January 22, 1991, MC CORMICK presented a purchase
11 offer on behalf of Terry and Carol Murphy (Buyers) for the subject
12 property. MC CORMICK was working as a salesperson under the
13 employment of GROMMON of Realty Executives. The terms of the
14 offer were: \$169,000 purchase price consisting of a \$9,300
15 commission; \$2,000 miscellaneous fees; and, Sellers were to pay
16 the closing costs of \$4,000. This would have netted Sellers
17 \$153,700. Sellers rejected. Sellers needed to net \$155,000 in
18 order to purchase their new home. The Buyers' offer was \$1,300
19 short.

20 12.

21 On January 22, 1991, MC CORMICK and DEWIT put forth a
22 counteroffer whereby the purchase price was increased to \$172,000
23 from \$169,000 with Sellers to credit Buyers with \$17,000. This
24 credit would net Sellers \$155,000, MC CORMICK and DEWIT
25 represented to the Sellers. In fact, it netted them less than the
26 original offer.

27 /



13.

1
2 The original escrow instructions required that twenty
3 percent (20%) of the sale price, or \$34,000 of \$172,000 be paid to
4 the Sellers, based on a twenty percent (20%) down payment, eighty
5 percent (80%) loan ratio. The modified escrow instructions
6 prepared by Realty Executives after the loan had funded and before
7 escrow had closed required the escrow to pay a third party
8 unrelated to the transaction, Natalie Rioux, MC CORMICK's office
9 assistant, the \$17,000. The \$17,000 was then transferred to the
10 Buyers, the Murphys. Therefore, only \$17,000, or ten percent
11 (10)%, was paid to the Sellers as a down payment instead of the
12 represented \$34,000. In effect, The Murphys acting in concert
13 with MC CORMICK and DEWIT were able to obtain a ten percent (10%)
14 down payment and a ninety percent (90%) loan, and they caused
15 false or misleading information to be sent to HomeFed Bank. Had
16 HomeFed Bank been informed of the true financial arrangements
17 arranged by MC CORMICK and DEWIT, the loan would not have been
18 approved.

19 14.

20 On February 15, 1991, the purchase transaction was
21 finalized with Realty Executives. GROMMON, MC CORMICK's and
22 DEWIT's employer, received a total commission of \$9,300.

23 15.

24 After closure, Sellers reviewed the transaction and
25 discovered the \$17,000 payment. They also discovered that they
26 netted less than the amount they would have netted, to wit
27 \$153,700, from the original offer of \$169,000. MC CORMICK told



1 the Sellers that the \$17,000 was used for repairs whereas no
2 repairs were contemplated by the parties, nor were any repairs
3 authorized by the Sellers.

4 16.

5 The conduct of respondent MC CORMICK, as described in
6 Paragraphs 10 through 15, above, constitutes fraud and dishonest
7 dealing. This conduct and violation are cause to suspend or
8 revoke the real estate licenses and license rights of respondent
9 MC CORMICK pursuant to Section 10176(i) of the Code.

10 17.

11 The conduct of respondent DEWIT, as described in
12 Paragraphs 10 through 15, above, constitutes fraud and dishonest
13 dealing. This conduct and violation are cause to suspend or
14 revoke the real estate licenses and license rights of respondent
15 DEWIT pursuant to Section 10176(i) of the Code.

16 18.

17 The conduct of respondent MC CORMICK, as described in
18 Paragraphs 10 through 15, above, constitutes making material
19 misrepresentations or omissions. This conduct and violation are
20 cause to suspend or revoke the real estate licenses and license
21 rights of respondent MC CORMICK pursuant to Section 10176(a) of the
22 Code.

23 19.

24 The conduct of respondent DEWIT, as described in
25 Paragraphs 10 through 15, above, constitutes making material
26 misrepresentations or omissions. This conduct and violation are
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cause to suspend or revoke the real estate licenses and license rights of respondent DEWIT pursuant to Section 10176(a) of the Code.

20.

The conduct of respondent MC CORMICK, as described above in Paragraphs 10 through 15, constitutes negligence or incompetence. This conduct and violation are cause for the suspension or revocation of the real estate licenses and license rights of respondent MC CORMICK pursuant to Code Section 10177(g).

21.

The conduct of respondent DEWIT, as described above in Paragraphs 10 through 15, constitutes negligence or incompetence. This conduct and violation are cause for the suspension or revocation of the real estate license and license rights of respondent DEWIT pursuant to Code Section 10177(g).

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THIRD CAUSE OF ACTION

Complainant incorporates herein the Preamble and the allegations of Paragraphs 1 through 21, inclusive, herein above.

Audit No. LA 930024

22.

On September 29, 1993, the Department completed an examination of the books and records pertaining to the licensed activities of respondent GROMMON covering a period of time beginning on July 1, 1992 and ending on July 30, 1993 which revealed the following violations of the Code and Regulations as set forth in the following paragraphs.

23.

In connection with the aforesaid real estate activities described in Paragraphs 5, GROMMON, accepted or received funds in trust (trust funds) from or on behalf of buyers and sellers. Respondent GROMMON deposited certain of these funds into the following accounts at the Western Bank, Westwood Office, 1251 Westwood Blvd., Los Angeles, California:

1. "Realty Executives Escrow Division Trust Account
Account No. 069-691-694321"
(Escrow Account)
(T/F # 1)
2. HIT Realty Executives Escrow - Maria and Byron Nelson
(T/F # 2)
3. HIT Realty Executives Escrow - Jeffery and Kathy Chateau
(T/F # 3)
4. HIT Realty Executives Escrow - Bernadine G. Grayr
(T/F # 4)
5. HIT Realty Executives Escrow - Donald and Sandra Teichner
(T/F # 5)



1
2 With respect to the trust funds referred to in Paragraph
3 23, it is alleged that respondent GROMMON:

4 (a) Permitted, allowed, or caused a deficit to
5 accumulate in the trust accounts which on July 30, 1993 was in the
6 amount of \$228,207.88 in T/F # 1 and in T/F # 5 was in the amount
7 of \$4,435.86, for a combined trust account deficit of \$245,054.16,
8 in violation of Section 10145 of the Code and Regulation 2832.1.

9 (b) Failed to maintain the trust account in the name of
10 the broker as trustee as opposed to the name of "Realty
11 Executives" in T/F # 1. T/F #2 and T/F #3 are not designated as
12 trust accounts, as required by Regulation 2830.

13 (c) Failed to perform a monthly reconciliation of the
14 columnar record for the receipt and disposition of all trust funds
15 received by GROMMON for the trust accounts and the balance of all
16 separate beneficiary or transaction records, as required by
17 Regulation 2831.2.

18 (d) Permitted the withdrawal of trust funds from the
19 trust accounts including T/F #1 by Diana Atkinson, Kay Colyer and
20 Lisa M. Esposito, and including T/Fs 2 and 3 by Diana Atkinson,
21 and Lisa M. Esposito, who were neither licensed by the Department
22 nor bonded in an amount equal to or greater than the amount of
23 trust funds subject to withdrawal by said persons, as required by
24 Regulation 2834. Nor did GROMMON maintain fidelity bond coverage
25 and/or employee dishonesty insurance coverage.

26 /

27 /



The conduct of respondent GROMMON, described in Paragraph 24, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
25(a)	Section 10145 & 10159.2 of the Code, and Regulation 2832.1
25(b)	Regulation 2830
25(c)	Regulation 2831.2
25(d)	Regulation 2834

Each of the foregoing violations separately constitutes cause for the suspension or revocation of the real estate licenses and license rights of respondent GROMMON under the provisions of Sections 10145 and 10177(d) of the Code.

26.

The investigative audit also revealed that GROMMON failed to initiate and maintain written Broker-Salesman agreements with 14 of his approximately 200 salespeople, in violation of Regulation 2726. This conduct and violation are also cause to suspend or revoke GROMMON's licenses and license rights under Sections 10177(d) and 10177(h) of the Code.

27.

The audit examination further revealed that respondent GROMMON used the fictitious names of "Noreen and Associates" and/or "Noreen/Strong and Associates" to conduct residential resale and mortgage loan activities without holding a license bearing these fictitious business names. The conduct of

1 respondent GROMMON in failing to obtain licenses for use of the
2 aforesaid names is in violation of Regulation 2731 and is cause to
3 suspend or revoke respondent GROMMON's real estate licenses and
4 license rights under Section 10177(d) of the Code.

5 28.

6 The overall conduct of respondent GROMMON, as described
7 above in Paragraphs 8, 10 through 15, and 26 through 28,
8 constitutes negligence or incompetence. This conduct and
9 violation are cause for the suspension or revocation of the real
10 estate licenses and license rights of respondent GROMMON pursuant
11 to Section 10177(g) of the Code.

12 29.

13 The conduct of respondent GROMMON, in violating
14 Regulation 2726, as described in Paragraph 26 herein above, during
15 the time that GROMMON was the real estate broker of Realty
16 Executives, constitutes a failure to supervise in violation of
17 Section 10177(h) of the Code. This conduct and violation are
18 cause for the suspension or revocation of all real estate licenses
19 and license rights of respondent pursuant to Sections 10177(d) and
20 10177(h).

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations made by the accusation and, that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of respondent RICHARD EDWIN GROMMON, CHRISTINA DEWIT and MICHAEL CARL MC CORMICK 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 11th day of August, 1995.


Deputy Real Estate Commissioner

cc: Richard E. Grommon
Christina Dewit
Michael Carl Mc Cormick
Vere Enterprises, Inc.
Sacto.
PFH
Bruce A. Nahin, Esq.
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ELLIOTT MAC LENNAN, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012

(213) 897-3194

FILED
JUL 16 1993
DEPARTMENT OF REAL ESTATE
BY *[Signature]*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	
)	
RICHARD EDWIN GROMMON;	)	No. H-25459 LA
CHRISTINA DEWIT;)	
MICHAEL MCCORMICK; and	)	A C C U S A T I O N
ANTHONY RICCI,)	
)	
)	

The Complainant, Steven J. Ellis, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against RICHARD EDWIN GROMMON dba Realty Executives; CHRISTINA DEWIT; MICHAEL MCCORMICK; and ANTHONY RICCI, is informed and alleges in his official capacity as follows:

I

All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Chapter 6, Title 10, California Code of Regulations.

II

RICHARD EDWIN GROMMON (GROMMON), sometimes referred to as respondent, is presently licensed and/or has license rights

1 under the Real Estate Law (Part 1 of Division 4 of the Code) as a
2 real estate broker. GROMMON was originally licensed by the
3 Department of Real Estate as a real estate broker on
4 March 5, 1979.

5 III

6 CHRISTINA DEWIT (DEWIT), sometimes referred to as
7 respondent, is presently licensed and/or has license rights under
8 the Real Estate Law (Part 1 of Division 4 of the Code) as a real
9 estate salesman. DEWIT was originally licensed by the Department
10 of Real Estate as a real estate salesman on October 17, 1988.

11 IV

12 MICHAEL MCCORMICK (MCCORMICK), sometimes referred to as
13 respondent, is presently licensed and/or has license rights under
14 the Real Estate Law (Part 1 of Division 4 of the Code) as a real
15 estate broker. MCCORMICK was originally licensed by the
16 Department of Real Estate as a real estate broker on September 6,
17 1981.

18 V

19 ANTHONY RICCI (RICCI), sometimes referred to as
20 respondent, is presently licensed and/or has license rights under
21 the Real Estate Law (Part 1 of Division 4 of the Code) as a real
22 estate broker. RICCI was originally licensed by the Department of
23 Real Estate as a real estate salesman on July 10, 1989. At all
24 times mentioned and commencing on July 19, 1989, RICCI was
25 licensed under broker Alan Clewett dba Help-U-Sell Realty of Santa
26 Clarita, California.

27 VI

1 At all times herein mentioned, in the city of Santa
2 Clarita, Los Angeles County, respondents engaged in the business
3 of, acted in the capacity of, advertised, or assumed to act as
4 real estate brokers and salesman, within the meaning of Sections
5 10131(a), 10131.1, 10131.2 and 10132 of the Code including the
6 operation of a real estate sale business with the public wherein,
7 on behalf of others and for compensation or in expectation of
8 compensation, respondents sold or offered to sell, bought or
9 offered to buy, solicited prospective sellers or purchasers of,
10 solicited or obtained listings of, or negotiated the purchase,
11 sale or exchange of real property.

12 VII

13 On February 19, 1992, the Department completed an
14 investigative audit of GROMMON's books and records pertaining to
15 its activities as a real estate broker engaged in the real estate
16 business covering a period from January 1, 1991 to
17 January 31, 1992 which revealed the following violations of the
18 Code and Regulations.

19 VIII

20 In connection with the aforesaid real estate activities
21 described in Paragraphs VI and VII, GROMMON, accepted or received
22 funds in trust (trust funds) from or on behalf of buyers and
23 sellers. Respondent GROMMON deposited certain of these funds into
24 the following accounts at the Western Bank, Los Angeles,
25 California:
26

- 27
28 1. "Realty Executives Escrow Division Trust Account

1 Account No. 069-691-694321"
2 (Escrow Account)

3 2. "Realty Executives/CC Account"
4 Account No. 125-406251-4
(Corporate Trust Account)

5 IX

6 In connection with the trust funds referred to in
7 Paragraph VIII, above, GROMMON, acted in violation of the Code and
8 Regulations because he:

9 (a) Failed to name the broker as the trustee for the
10 trust accounts and failed to designate the account as a trust
11 account for the collection of credit and appraisal fees, as
12 required by Regulation 2830.

13 X

14 The conduct of respondent GROMMON described in Paragraph
15 IX, above, violated Regulation 2830. The foregoing violation
16 constitutes cause for the suspension or revocation of all real
17 estate licenses and license rights of respondent GROMMON under the
18 provisions of Section 10177(d) of the Code.

19 XI

20 On or about September 7, 1990, while still licensed
21 under the broker's license of Alan E. Clewett of Help-U-Sell
22 Realty, and without his knowledge or consent, RICCI performed real
23 estate services for GROMMON including property location for real
24 estate development and accepted compensation in the amount of
25 \$1000 from GROMMON.

26 XII

1 The conduct of RICCI, in claiming employment with or
2 accepting compensation from someone other than his employing
3 broker for acts requiring a real estate license is cause to revoke
4 or suspend his license and license rights pursuant to Section
5 10137 of the Code
6

7 XIII

8 On December 15, 1990, Larry and Peggy Spellman (Sellers)
9 listed their home at 27908 Adon Avenue, Canyon Country (subject
10 property) with DEWIT. DEWIT was working as a salesman under the
11 employment of GROMMON of Realty Executives.
12

13 XIV

14 On January 22, 1991, MCCORMICK presented a purchase
15 offer on behalf of Terry and Carol Murphy (Buyers) for the subject
16 property. MCCORMICK was working as a salesman under the
17 employment of GROMMON of Realty Executives. The terms of the
18 offer were: \$169,000 purchase price consisting of a \$9,300
19 commission; \$2,000 miscellaneous fees; and, Sellers were to pay
20 the closing costs of \$4,000. This would have netted Seller
21 \$153,700. Seller's rejected. Seller's needed to net \$155,000 in
22 order to purchase their new home. The Buyer's offer was \$1,300
23 short.

24 XV

25 On January 2, 1991, MCCORMICK and DEWIT put forth a
26 counteroffer whereby the purchase price was increased to \$172,000
27 from \$169,000 with Seller's to credit Buyers with \$17,000. This
28 credit would net Seller's \$155,000, MCCORMICK and DEWIT

1 represented to the Sellers. In fact, it netted them less than the
2 original offer.

3
4 XVI

5 The original escrow instructions required that twenty
6 (20%) percent of the sale price, or \$34,000 of \$172,000 be paid to
7 the Sellers, based on a twenty (20%) downpayment eighty (80%) loan
8 ratio. The modified escrow instructions prepared by Realty
9 Executives after the loan had funded and before escrow had closed
10 required the escrow to pay a third party unrelated to the
11 transaction, Natalie Rioux, MCCORMICK's office assistant, the
12 \$17,000. The \$17,000 was then transferred to the Buyers, the
13 Murphys. Therefore, only \$17,000, or ten (10)%, was paid to the
14 Sellers as a down payment instead of the represented \$34,000. In
15 effect, The Murphys acting in concert with MCCORMICK and DEWIT
16 were able to obtain a ten (10%) downpayment and a ninety (90%)
17 loan, and they caused false or misleading information to be sent
18 to HomeFed Bank. Had HomeFed Bank been informed of the true
19 financial arrangements arranged by MCCORMICK and DEWIT the loan
20 would not have been approved.

21 XVII

22 On February 15, 1991, the purchase transaction was
23 finalized with Realty Executives, MCCORMICK's and DEWIT's employer
24 GROMMON being paid a total commission of \$9,300.

25 XVIII

26 After closure Seller's reviewed the transaction and
27 discovered the \$17,000 payment. They also discovered that they
28 netted less than the net from the original offer of \$153,700.

1 MCCORMICK stated that the \$17,000 was used for repairs whereas
2 none were even contemplated by the parties; nor were any repairs
3 authorized by the Sellers.

4 XIX

5 The conduct of respondent MCCORMICK, as described in
6 Paragraphs XIII through XVIII, above, constitutes a violation of
7 Section 10176(i) or 10177(j). This conduct and violation are
8 cause to suspend or revoke the real estate license and license
9 rights of respondent.

10 XX

11 The conduct of respondent DEWIT, as described in
12 Paragraphs XIII through XVIII, above, constitutes a violation of
13 Section 10176(i) or 10177(j). This conduct and violation are
14 cause to suspend or revoke the real estate license and license
15 rights of respondent.

16 XXI

17 The conduct of respondent MCCORMICK, as described in
18 Paragraphs XIII through XVIII, above, constitutes a violation of
19 Section 10176(a). This conduct and violation are cause to suspend
20 or revoke the real estate license and license rights of
21 respondent.

22 XXII

23 The conduct of respondent DEWIT, as described in
24 Paragraphs XIII through XVIII, above, constitutes a violation of
25 Section 10176(a). This conduct and violation are cause to suspend
26 or revoke the real estate license and license rights of
27 respondent.

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XXIII

The conduct of respondents MCCORMICK AND DEWIT, as described in Paragraphs XIII through XVIII, above, constitutes a violation of Section 10176(b). This conduct and violation are cause to suspend or revoke the real estate license and license rights of respondents MCCORMICK AND DEWIT.

XXIV

The conduct of respondents MCCORMICK AND DEWIT, as described in Paragraphs XIII through XVIII, above, constitutes a violation of Section 10176(c). This conduct and violation are cause to suspend or revoke the real estate license and license rights of respondents MCCORMICK AND DEWIT.

XXV

The conduct of respondent GROMMON, in allowing respondents MCCORMICK and DEWIT to violate Sections 10176(a), 10176(b), 10176(c) and 10176(i) of the Code, as described in Paragraphs XIII through XIX hereinabove, during the time that GROMMON was the designated officer of Realty Executives, constitutes negligence or incompetence in violation of Section 10177(g). This conduct and violation are cause for the suspension or revocation of all real estate licenses and license rights of respondent.

XXVI

The conduct of respondent GROMMON, in allowing respondents MCCORMICK and DEWIT to violate Sections 10176(a), 10176(b), 10176(c) and 10176(i) of the Code, as described in Paragraphs XIII through XIX hereinabove, during the time that

1 GROMMON was the real estate broker of Realty Executives,
2 constitutes a failure to supervise said respondents in violation
3 of Section 10177(h). This conduct and violation are cause for
4 the suspension or revocation of all real estate licenses and
5 license rights of respondent pursuant to Sections 10177(d) and
6 10177(h).

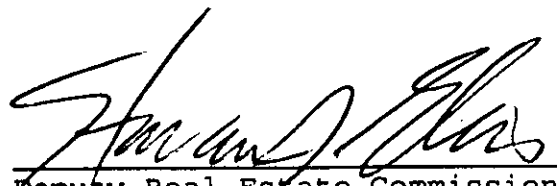
7
8 XXVII

9 The conduct of respondent GROMMON, as described in
10 Paragraphs XI and XII, above, constitutes a violation of Section
11 10137. This conduct and violation are cause to suspend or revoke
12 the real estate license and license rights of respondent.

13 WHEREFORE, Complainant prays that a hearing be conducted
14 on the allegations made by the accusation and, that upon proof
15 thereof, a decision be rendered imposing disciplinary action
16 against all licenses and license rights of respondent FRANK EUGENE
17 GROMMON dba Realty Executives, TIMOTHY EDWARD DEWIT, MICHAEL
18 MCCORMICK and ROBERT KENNETH under the Real Estate Law (Part 1 of
19 Division 4 of the Business and Professions Code) and for such
20 other and further relief as may be proper under other applicable
21 provisions of law.

22 Dated at Los Angeles, California

23 this day of June, 1993.

24
25 
26 Deputy Real Estate Commissioner

27 cc: Richard E. Grommon
28 Christina Dewit
Michael McCormick
Anthony Ricci
Sacto.

*SAND
Play*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
JUL - 5 1995
DEPARTMENT OF REAL ESTATE

* * * *

In the Matter of the Accusation of)
)
RICHARD EDWIN GROMMON,)
et al.,)
)
Respondents.)
_____)

Case No. H-25459 LA By
OAH No. L-9506138

[Signature]

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondents:

You are hereby notified that a hearing will be held before the Department of Real Estate at Office of Administrative Hearings, 314 West First Street, Los Angeles, California, on **December 19, 20, 21 and 22, 1995**, at the hour of 9:00 a.m., or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter. The interpreter must be approved by the Administrative Law Judge conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the Administrative Law Judge directs otherwise.

Dated: July 5, 1995.

DEPARTMENT OF REAL ESTATE

cc: Richard Edwin Grommon
Christina DeWit
Michael McCormick
Bruce A. Nahin, Esq.
Vere Enterprises Inc.
Sacto.
OAH

[Signature]
ELLIOTT MAC LENNAN, Counsel

*Sacts
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OCT 19 1993
[Signature]

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of) No. H-25459 LA
)
)
RICHARD EDWIN GROMMON;)
CHRISTIANA DEWIT;)
MICHAEL MCCORMICK; and)
ANTHONY RICCI,)
)
Respondents.)

DISMISSAL

The Accusation herein filed on July 16, 1993, against
ANTHONY RICCI only is DISMISSED.

IT IS SO ORDERED this 17th day of October, 1993.

CLARK WALLACE
Real Estate Commissioner

[Signature]