

Department of Real Estate  
1000 South Broadway, Room 8107  
Los Angeles, CA 90012  
(213) 897-3937

**FILED**  
OCT 30 1996  
DEPARTMENT OF REAL ESTATE

By 

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \*

TO:	)	No. H-26826 LA
	)	
DAVID E. CALHOUN, doing	)	
business as California	)	<u>ORDER TO DESIST</u>
Academy of Real Estate and	)	
AVA JUNE MILBOURNE, doing	)	<u>AND REFRAIN</u>
business as Real Estate	)	
Educational Services.	)	

RE: AGENCY 2613-1005

ETHICS 2613-1008

The Real Estate Commissioner of the State of California (Commissioner) has caused an investigation to be conducted and is of the opinion that you and each of you have, in the course of presenting continuing education courses approved by the Department, violated Sections 3007.3(a)(7).and 3007.3(a)(13) of Title 10, Chapter 6 of the California Code of Regulations (hereafter Regulations).

I

The Department of Real Estate of the State of California

1 (hereafter the Department) issued to California Academy of Real  
2 Estate (hereafter CARE) approvals to teach continuing education  
3 course offerings including but not limited to those identified in  
4 paragraph three (III) below. CARE is a fictitious business name  
5 and is owned and/or controlled by DAVID E. CALHOUN (hereafter  
6 Calhoun).

7 II

8 Real Estate Educational Services (hereafter REES) is the  
9 fictitious business name of Ava June Milbourne (Milbourne). At all  
10 times hereinbelow mentioned, Milbourne acted as the agent or  
11 independent contractor of CARE in the marketing of courses  
12 sponsored by CARE including but not limited to those identified in  
13 paragraph three (III) below.

14 III

15 The Department issued to CARE approvals for the following  
16 continuing education course offerings pursuant to Business and  
17 Professions Code (hereafter Code) Sections 10170.4 and Sections  
18 3006 and 3007 of the Regulations:

19 Course No.: Date Approved: Course Title: Expiration:  
20 2613-1005 February 17, 1995 Agency February 16, 1997  
21 2613-1008 February 17, 1995 Ethics February 16, 1997

22 Said courses were applied for and approved by the Department to be  
23 taught as correspondence courses for continuing education credit:

24 IV

25 Approval of said courses was predicated upon CARE's  
26 compliance with Regulations 3005 through 3012.2 and Code Sections  
27 10170 through 10171.6, including the following:

1 (a) Final examinations shall not be passed out to  
2 participants until completion of the instructional portion of the  
3 course. Regulation 3007.3(a)(7).

4 (a) Enrollees would not be permitted to designate  
5 the person to administer the final examination. Regulation  
6 3007.3(a)(13).

7 (b) In its applications, CARE agreed that "Under no  
8 circumstances may final exams be furnished to students. Also, exam  
9 questions shall not be reviewed with students before, after or  
10 during the course. Exams must be submitted under sealed envelope,  
11 to a qualified test administrator that you, the course sponsor,  
12 have designated and approved."

13 V

14 In order to qualify for renewal of a real estate license,  
15 a licensee must prove successful completion of continuing education  
16 courses, or the equivalent, such as that identified in paragraph  
17 two (2) above, during the preceding four-year period. Code  
18 Sections 10170.5(a) and 10170.5(b).

19 VI

20 On or about August 4, 1995, Deputy Real Estate  
21 Commissioner Sheronda Edwards, using the name of Sharon Jensen  
22 (hereafter Edwards) requested information from Milbourne about  
23 enrollment in continuing education courses. Milbourne asked  
24 Edwards if she had a monitor. Edwards said, no. Milbourne advised  
25 that the monitor does not have to be a real estate licensee just  
26 make sure the monitor is not a relative.

27



1 (a) On or about August 11, 1995, Edwards, enrolled  
2 with Milbourne to take Agency and Ethics courses.

3 (b) On or about August 25, 1995, Milbourne mailed  
4 to Edwards final examinations with accompanying scantron answer  
5 cards and Test Administrator Certifications for the Ethics and  
6 Agency courses. No text books or instructional materials were  
7 provided to Edwards, though instructional materials were approved  
8 for both courses identified in paragraph three (III) above.

9 (c) These materials were under the name of  
10 California Academy of Real Estate. Milbourne was acting as agent  
11 or independent contractor of CARE for the selling and  
12 administration of courses approved by the Department for CARE.

13 (d) Deputy Real Estate Commissioner Edward Grant,  
14 using the fictitious name of Dorothy J. Grant, signed the Test  
15 Administrator Certifications.

16 (e) Edwards returned the completed answer sheets  
17 and Test Administrator Certifications to Milbourne.

18 (f) On or about September 2, 1995, CARE delivered a  
19 certificate of completion to Edwards of the courses described in  
20 paragraph three (III) above.

21 VII

22 The conduct described in paragraph six (VI) above and  
23 subparagraphs therein constitute failures to comply with conditions  
24 to the approval of said courses identified in paragraph three (III)  
25 in that:

26 (a) Edwards was not only permitted to but required  
27 to select her own Test Administrator, in direct violation of

1 Regulation 3007.3(a)(13). This constituted a material change in  
2 the offering in violation of Regulation 3007.2.

3 (b) The final examinations were mailed directly to  
4 Edwards, and not to the Test Administrator in violation of  
5 Regulation 3007.3(a)(7). This constituted a material change in the  
6 offering in violation of Regulation 3007.2.

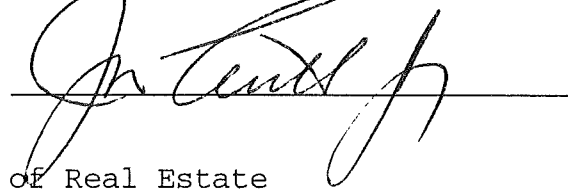
7 VIII

8 The violations of Regulations 3007.3(a)(7) and  
9 3007.3(a)(13) described in paragraphs five (V) and six (VI) herein  
10 above constitute violations of the Real Estate Law and Regulations  
11 issued by the Real Estate Commissioner.

12 NOW, THEREFORE, YOU, DAVID E. CALHOUN, YOUR EMPLOYEES,  
13 AGENTS OR INDEPENDENT CONTRACTORS and YOU, AVA JUNE MILBOURNE, YOUR  
14 EMPLOYEES, AGENTS OR INDEPENDENT CONTRACTORS ARE HEREBY ORDERED TO  
15 DESIST AND REFRAIN from violating Regulations 3007.3(a)(7).and  
16 3007.3(a)(13)..

17 DATED: 10-18-, 1996.

18  
19 JIM ANTT, JR.  
Real Estate Commissioner

20 

21 cc: David E. Calhoun  
22 dba California Academy of Real Estate  
23 18817 Napa Street  
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24 Ava June Milbourne  
25 dba Real Estate Educational Services  
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26 Woodland Hills, CA 91364

27 SC/sc Thomas L. Mabry  
SE

