

Facto

FILED
NOV 06 1997
DEPARTMENT OF REAL ESTATE

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

By [Signature]

* * * * *

In the Matter of the Accusation of	)	No. H-27222 LA
	)	
JOHN CHARLES ASHLEY,	)	L-199 7070 501
J & M ASHLEY CO., INC.,	)	
and INLAND PACIFIC REALTY, INC.	)	
	)	
Respondents.	)	
_____	)	

DECISION

The Proposed Decision dated October 10, 1997
of the Administrative Law Judge of the Office of
Administrative Hearings, is hereby adopted as the Decision
of the Real Estate Commissioner in the above-entitled matter.

This Decision shall become effective at 12 o'clock
noon on NOV 26 1997.

IT IS SO ORDERED 10/30/97.

JIM ANTT, JR.
Real Estate Commissioner

[Signature]

In the matter of the Accusation)
Against:) Case No. H-27222 LA
)
JOHN CHARLES ASHLEY,)
J & M ASHLEY CO., INC.,) OAH No. L-1997070501
)
and INLAND PACIFIC REALTY, INC.)
)
Respondents.)
)

This matter was heard by Samuel D. Reyes, Administrative Law Judge, Office of Administrative Hearings, on September 23, 1997, in Los Angeles, California. Complainant was represented by James R. Peel, Counsel. Respondents appeared by John Charles Ashley.

FINDINGS OF FACT

- 1

6. The Court's judgement is one issued upon grounds of fraud, misrepresentation, and deceit with reference to a transaction for which a real estate license is required within the meaning of Business and Professions Code section 10177.5.

7. The judgment was issued following respondents' failure to contest the allegations contained in a complaint filed on May 31, 1995. The complaint described a sophisticated scheme whereby Michael F. Crowley ("Crowley"), a real estate salesperson employed by respondent J & M, made fraudulent representations and engaged in other acts of deceit in order to steal a business opportunity from Jerry Valencia, the prospective buyer of the property in question and the plaintiff in the civil lawsuit. In connection with the scheme, Crowley entered into exclusive listing agreements with both Wright, the seller of the property, and Valencia; the agreement with the latter was for the resale of the property once purchased from Wright. Crowley also fraudulently induced Wright to sell the property to other buyers whom he represented, to the detriment of Valencia.

The Court specifically found that respondents had full knowledge of the activities of their agent, Crowley.

The Court also found that respondents Ashley and J & M were the alter egos of respondent Inland, a corporation fraudulently formed to evade legal responsibility in the Valencia transaction.

It ordered respondents to pay a \$749,750 judgement.

8. At the hearing, respondent claimed lack of knowledge regarding Crowley's activities. This testimony lacked credibility. Moreover, it constitutes a direct attack on the Court's findings, which attack is impermissible under Business and Professions Code section 10177.5.

* * * * *

Pursuant to the foregoing findings of fact, the Administrative Law Judge makes the following determination of issues:

DETERMINATION OF ISSUES

1. Grounds exist pursuant to Business and Professions Code section 10177.5 to suspend or revoke respondents' licenses in that a final judgment was obtained against them upon grounds of fraud, misrepresentation, or deceit with reference to a transaction for which a real estate license was required, by reason of finding of fact numbers 5 through 8.

2. All evidence offered in mitigation of rehabilitation has been considered. However, the order which follows is necessary for the protection of the public.

* * * * *

WHEREFORE, THE FOLLOWING ORDER is hereby made:

1. Real estate broker license number 712497 issued to John Charles Ashley is revoked.

2. Corporate real estate broker license number 864143 issued to J & M Ashley Co., Inc., is revoked.

3. Corporate real estate broker license number 1160652 issued to Inland Pacific Realty, Inc., is revoked.

DATED: 10/10/97



SAMUEL D. REYES
Administrative Law Judge
Office of Administrative Hearings

Shirley J. J.

JAMES R. PEEL, Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, California 90012

(213) 897-3937

FILED
MAY 30 1997
DEPARTMENT OF REAL ESTATE

By Koruderhals

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of)	No. H-27222 LA
JOHN CHARLES ASHLEY,)	
J & M ASHLEY CO., INC.,)	<u>A C C U S A T I O N</u>
and INLAND PACIFIC REALTY, INC.,)	
Respondents.)	

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against JOHN CHARLES ASHLEY, J & M ASHLEY CO., INC., and INLAND PACIFIC REALTY, INC., alleges as follows:

I

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

II

JOHN CHARLES ASHLEY, J & M ASHLEY CO., INC., and INLAND PACIFIC REALTY, INC. (hereinafter referred to as respondents) are presently licensed and/or have license rights under the Real

1 Estate Law (Part 1 of Division 4 of the Business and Professions
2 Code, hereinafter Code).

3
4 III

5 At all times herein mentioned, respondent INLAND PACIFIC
6 REALTY, INC., was licensed by the Department of Real Estate as a
7 corporate real estate broker, respondent JOHN CHARLES ASHLEY was
8 licensed as the designated officer of said corporation, and
9 respondent J & M ASHLEY CO., INC., possessed renewal rights to a
10 corporate real estate broker license.

11 IV

12 On or about October 1, 1996, in the Superior Court of
13 the State of California, County of Los Angeles, in Case No.
14 NC 005924, Plaintiff Jerry Valencia vs. Rosalee Wright, et al.,
15 Defendants, a final judgment was obtained in a civil action
16 against respondents upon grounds of fraud, misrepresentation, or
17 deceit with reference to a transaction for which a real estate is
18 required.

19 V

20 The conduct of respondents, as alleged above, subjects
21 their real estate licenses and license rights to suspension or
22 revocation pursuant to Section 10177.5 of the Code.

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1 WHEREFORE, Complainant prays that a hearing be conducted
2 on the allegations of this Accusation and, that upon proof
3 thereof, a decision be rendered imposing disciplinary action
4 against all licenses and license rights of Respondents JOHN
5 CHARLES ASHLEY, J & M ASHLEY CO., INC., and INLAND PACIFIC REALTY,
6 INC., under the Real Estate Law (Part 1 of Division 4 of the
7 Business and Professions Code) and for such other and further
8 relief as may be proper under other applicable provisions of law.
9 Dated at Los Angeles, California
10 this 30th day of May, 1997.
11

12 THOMAS MC CRADY

13 Deputy Real Estate Commissioner
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25 cc: John Charles Ashley
26 J & M Ashley Co., Inc.
27 Inland Pacific Realty, Inc.
Sacto
LR

