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JUN 26 2007

DEPARTMENT OF REAL ESTATE

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of	)	
	)	NO. H-28446 LA
HOAG PROPERTY MANAGEMENT, INC.,	)	
	)	
Respondent.	)	

ORDER GRANTING REINSTATEMENT OF LICENSE

On August 18, 2000, a Decision was rendered herein revoking the corporate real estate broker license of HOAG PROPERTY MANAGEMENT, INC., effective September 13, 2000. Respondent was given the right to apply for and receive a restricted real estate broker license, which was issued on September 13, 2000.

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1 On or about January 27, 2003, Respondent petitioned  
2 for reinstatement of it's real estate licenses and the Attorney  
3 General of the State of California has been given notice of the  
4 filing.

5 I have considered Respondent's petition and the  
6 evidence and arguments in support thereof. Respondent has  
7 demonstrated to my satisfaction that grounds do not presently  
8 exist to deny the issuance of an unrestricted real estate  
9 license to Respondent.

10 NOW, THEREFORE, IT IS ORDERED THAT RESPONDENT HOAG  
11 PROPERTY MANAGEMENT, INC.'s petition for reinstatement is  
12 granted and that an unrestricted corporate real estate broker  
13 license be issued to this Respondent if it satisfies the  
14 following condition within one (1) year from the date of this  
15 Order:

16 Submittal of a completed application and payment of  
17 the fee for a corporate real estate broker license.

18 This Order shall become effective immediately.

19 DATED: 6-8-07.

20  
21 JEFF DAVI  
22 Real Estate Commissioner

23   
24  
25  
26  
27

1 Department of Real Estate  
320 West Fourth Street, Suite 350  
2 Los Angeles, California 90013-1105  
3 Telephone: (213) 576-6982  
-or- (213) 576-6910 (Direct)  
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**FILED**  
AUG 24 2000  
DEPARTMENT OF REAL ESTATE

By CB

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )  
12 HOAG PROPERTY MANAGEMENT, INC., ) NO. H-28446 LA  
a corporation, ) L-2000040050  
13 Respondent. ) STIPULATION AND AGREEMENT  
14

15 It is hereby stipulated by and between HOAG PROPERTY  
16 MANAGEMENT, INC., a corporation (Respondent), acting by and  
17 through Mark C. Doyle, Esq., Counsel for Respondent, and the  
18 Complainant, acting by and through Chris Leong, Counsel for the  
19 Department of Real Estate, as follows for the purpose of settling  
20 and disposing of the Accusation filed on March 15, 2000.

21 1. All issues which were to be contested and all  
22 evidence which was to be presented by Complainant and Respondent  
23 at a formal hearing on the Accusation, which hearing was to be  
24 held in accordance with the provisions of the Administrative  
25 Procedure Act, shall instead and in place thereof be submitted  
26 solely on the basis of the provisions of this Stipulation and  
27 Agreement.

1           2. Respondent has received, read and understands the  
2 Statement to Respondent, the Discovery Provisions of the  
3 Administrative Procedure Act and the Accusation, filed by the  
4 Department of Real Estate in this proceeding.

5           3. Respondent filed a Notice of Defense pursuant to  
6 Section 11505 of the Government Code for the purpose of  
7 requesting a hearing on the allegations in the Accusation.  
8 Respondent hereby freely and voluntarily withdraws said Notice  
9 of Defense. Respondent acknowledges that it understands that by  
10 withdrawing said Notice of Defense it will thereby waive its  
11 right to require the Commissioner to prove the allegations in  
12 the Accusation at a contested hearing held in accordance with  
13 the provisions of the Administrative Procedure Act and that  
14 Respondent will waive other rights afforded to it in connection  
15 with the hearing, such as the right to present evidence in  
16 defense of the allegations in the Accusation and the right to  
17 cross-examine witnesses.

18           4. In the interest of expedience and economy,  
19 Respondent chooses not to contest the factual allegations in  
20 Paragraphs I through VIII of the Accusation, but to remain  
21 silent and understands that, as a result thereof, these factual  
22 statements, without being admitted or denied, will serve as a  
23 prima facie basis for the disciplinary action stipulated to  
24 herein. The Real Estate Commissioner shall not be required to  
25 provide further evidence to prove such allegations. This  
26 Stipulation and Agreement shall not constitute an admission by  
27 Respondent of any of the factual allegations contained in the



1 above-referenced Accusation.

2 5. It is understood by the parties that the Real  
3 Estate Commissioner may adopt the Stipulation and Agreement as  
4 her Decision in this matter, thereby imposing the penalty and  
5 sanctions on Respondent's real estate license and license rights  
6 as set forth in the "Order" below. In the event that the  
7 Commissioner in her discretion does not adopt the Stipulation  
8 and Agreement, it shall be void and of no effect, and Respondent  
9 shall retain the right to a hearing and proceeding on the  
10 Accusation under all the provisions of the Administrative  
11 Procedure Act and shall not be bound by any admission or waiver  
12 made herein.

13 6. The Order or any subsequent Order of the Real  
14 Estate Commissioner made pursuant to this Stipulation and  
15 Agreement shall not constitute an estoppel, merger or bar to any  
16 further administrative or civil proceeding by the Department of  
17 Real Estate with respect to any matters which were not  
18 specifically alleged to be causes for accusation in this  
19 proceeding.

20 DETERMINATION OF ISSUES

21 By reason of the foregoing stipulations, admissions  
22 and waivers and solely for the purpose of settlement of the  
23 pending Accusation without a hearing, it is stipulated and  
24 agreed that the following Determination of Issues shall be made:

25 The acts and omissions of Respondent, HOAG PROPERTY  
26 MANAGEMENT, INC., described in Paragraphs I through VIII of the  
27 Accusation, constitute violations of Sections 10130 and 10145 of

1 the Business and Professions Code and are used for the  
2 suspension or revocation of all real estate licenses and license  
3 rights of Respondent under the provisions of Section 10177(d) of  
4 the Business and Professions Code.

5 ORDER

6  
7 WHEREFORE, THE FOLLOWING ORDER is hereby made:

8 ALL licenses and licensing rights of Respondent HOAG  
9 PROPERTY MANAGEMENT, INC., a corporation, under the Real Estate  
10 Law are hereby revoked; provided, however, a restricted  
11 corporate real estate broker license shall be issued to  
12 Respondent pursuant to Section 10156.5 of the Business and  
13 Professions Code if Respondent makes application therefor and  
14 pays to the Department of Real Estate the appropriate fee for  
15 the restricted license within 90 days from the effective date of  
16 this Decision. The restricted license issued to Respondent  
17 shall be subject to all of the provisions of Section 10156.7 of  
18 the Business and Professions Code and to the following  
19 limitations, conditions, and restrictions imposed under  
20 authority of Section 10156.6 of that Code:

21 1. The restricted license issued to Respondent may be  
22 suspended prior to hearing by Order of the Real Estate  
23 Commissioner in the event of Respondent's conviction or plea of  
24 nolo contendere to a crime which is substantially related to  
25 Respondent's fitness or capacity as a real estate licensee.

26 2. The restricted license issued to Respondent may be  
27 suspended prior to hearing by Order of the Real Estate  
Commissioner on evidence satisfactory to the Commissioner that

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

4 3. Respondent shall not be eligible to apply for the  
5 issuance of an unrestricted real estate license nor for the  
6 removal of any of the conditions, limitations or restrictions of  
7 a restricted license until two years has elapsed from the  
8 effective date of this Decision.

9 4. Respondent shall pay, pursuant to Section 10148 of  
10 the Business and Professions Code, the Commissioner's reasonable  
11 cost for an audit to determine if Respondent is in compliance  
12 with Real Estate Law. In calculating the amount of the  
13 Commissioner's reasonable cost, the Commissioner may use the  
14 estimated average hourly salary for all persons performing  
15 audits of real estate brokers, and shall include an allocation  
16 for travel cost, including mileage, time to and from the  
17 auditor's place of work, and per diem. The Commissioner's  
18 reasonable costs shall in no event exceed \$6,307.31. Respondent  
19 shall pay such cost within 60 days of receiving an invoice from  
20 the Commissioner detailing the activities performed during the  
21 audit and the amount of time spent performing those activities.  
22 Notwithstanding the provisions of any other paragraph herein, if  
23 Respondent fails to pay, within 60 days from receipt of the  
24 invoice specified above, the Commissioner's reasonable cost for  
25 an audit to determine if Respondent has corrected the violations  
26 found in the Determination of Issues, the Commissioner may order  
27 the indefinite suspension of Respondent's real estate license



1 and license rights. The suspension shall remain in effect until  
2 payment is made in full, or until Respondent enters into an  
3 agreement satisfactory to the Commissioner to provide for such  
4 payment. The Commissioner may impose further reasonable  
5 disciplinary terms and conditions upon Respondent's real estate  
6 license and license rights as part of any such agreement.

7 Commissioner's audit to determine Respondent's  
8 compliance with Real Estate Law referenced herein shall not take  
9 place sooner than six months from the effective date of this  
10 Decision unless there is cause to do so, such as a complaint  
11 filed with the Department.

12 5. As a further condition of receiving a restricted  
13 corporate real estate broker license, Respondent shall pay the  
14 Department, \$6,307.31 for the audit performed for the period  
15 December 1, 1998 to November 30, 1999, Audit Number LA 990226,  
16 prior to the date any such restricted license is issued.

17 6. Respondent will not conduct any activities for  
18 which a real estate license is required without a designated  
19 broker officer.

20 7. Respondent, HOAG PROPERTY MANAGEMENT, INC., a  
21 corporation, shall submit to the Real Estate Commissioner a  
22 Trust Fund Position Statement as of the last day of each  
23 calendar quarter (the accounting date) for so long as said  
24 restricted license shall remain in effect. If Respondent  
25 engages in no real estate transactions as a real estate broker  
26 during the calendar quarter in question, his quarterly report  
27 shall so state.



1            The Position Statement shall consist of the following:

2            1. A schedule of trust fund accountability with the  
3 following information for each transaction in which Respondent  
4 is accountable as agent or trustee to the owner of funds:

5            (a) Account number;

6            (b) Type of transaction (purchase and sale, property  
7 management, loan collection);

8            (c) Name of principal or beneficiary;

9            (d) Description of real property; and

10           (e) Trust fund liability.

11           2. A report of trust funds in the custody and control  
12 of Respondent as of the accounting date consisting of:

13           (a) A copy of Respondent's trust account bank  
14 statement showing the balance of funds in the account as of the  
15 accounting date; and

16           (b) A schedule of uncleared checks drawn on the  
17 accounting adjusting the account to its true balance as of the  
18 accounting date.

19           3. A statement explaining any discrepancy between the  
20 total liability shown under (1) above and the adjusted trust  
21 account balance shown under (2) above.

22           The Trust Fund Position Statement shall be submitted  
23 by Respondent to the Los Angeles District Office of the  
24 Department of Real Estate not later than thirty (30) days after  
25 each accounting date. If Respondent has no trust fund liability  
26 as of an accounting date, its report to the Department shall so  
27 state.



1            Respondent shall certify the competence and accuracy  
2 of each Position Statement to the best of its knowledge and  
3 belief.

4            Respondent shall regularly report in writing to the  
5 Real Estate Commissioner all of its dealings in real estate  
6 undertaken as a corporate broker, which reports shall set forth  
7 the following information for each such transaction:

8            (a) The nature of the transaction and a brief  
9 description of the property involved;

10           (b) The name and address of each party to the  
11 transaction;

12           (c) The date of execution of the agreement and date  
13 of the closing of the transaction;

14           (d) The name and address of the escrow agent, if any;

15           (e) The purchase price of the property or the amount  
16 of the loan or other consideration involved;

17           (f) An account of the receipt and disposition of  
18 funds received by Respondent as agent in the transaction; and

19           (g) The amount of commission received.

20           Such reports shall be submitted quarterly to the  
21 office of the Real Estate Commissioner prior to the fifteenth  
22 day of each January, April, July and October for so long as said  
23 restricted license shall be in effect, and each report shall  
24 contain the information hereinabove specified for the calendar  
25 quarter immediately preceding the submission of each report.

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DATED: 1/26/00

CHRIS LEONG  
CHRIS LEONG, ESQ.  
Counsel for Complainant

\* \* \*

I have read the Stipulation and Agreement, have discussed it with my counsel, 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.

Respondent can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by faxing a copy of its signature page, as actually signed by Respondent, to the Department at the following telephone/fax number (213) 567-6917. Respondent agrees, acknowledges and understands that by electronically sending to the Department a fax copy of its actual signature as it appears on the Stipulation and Agreement, that receipt of the faxed copy by the Department shall be as binding on Respondent as if the Department had received the original signed Stipulation and Agreement.

/////

1  
2  
3 DATED: 7.17.00

C Larry Hoag  
HOAG PROPERTY MANAGEMENT, INC.,  
a corporation, by C. Larry Hoag,  
Designated Officer of  
Hoag Property Management, Inc.

4  
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6  
7 DATED: 7/24/00

Mark C. Doyle  
MARK C. DOYLE, Esq.  
Counsel for Respondent

8  
9 \* \* \*

10  
11 The foregoing Stipulation and Agreement is hereby  
12 adopted as my Decision in this matter and shall become effective  
13 at 12 o'clock noon on September 13, 2000

14 IT IS SO ORDERED August 17, 2000.

15 PAULA REDDISH ZINNEMANN  
16 Real Estate Commissioner

17 Paula Reddish Zinnemann  
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BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

In the Matter of the Accusation of )  
 )  
HOAG PROPERTY MANAGEMENT, INC., )  
a corporation, )  
 )  
Respondent (s)

Case No. H-28446 LA

OAH No. L-2000040050

**FILED**  
APR 19 2000  
DEPARTMENT OF REAL ESTATE

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent (s):

By CS

You are hereby notified that a hearing will be held before the Department of Real Estate at the Office of Administrative Hearings, 320 West Fourth Street, Suite 630, Los Angeles, CA 90013-1105 on WEDNESDAY, JUNE 7, 2000, at the hour of 9:00 A.M., or as soon thereafter as the matter can be heard, upon the Accusation served upon you. If you object to the place of hearing, you must notify the presiding administrative law judge of the Office of Administrative Hearings within ten (10) days after this notice is served on you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of the hearing.

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 and pay his or her costs. The interpreter must be certified in accordance with Sections 11435.30 and 11435.55 of the Government Code.

DEPARTMENT OF REAL ESTATE

Dated: April 19, 2000

By CHRIS LEONG  
CHRIS LEONG, Counsel

cc: Hoag Property Management, Inc.  
Mark C. Doyle, Esq.  
Jerry Reyes/L.A. Audits  
/Sacto.  
OAH

1 CHRIS LEONG, Counsel (SBN 141079)  
2 Department of Real Estate  
3 320 West Fourth Street, Suite 350  
4 Los Angeles, California 90013-1105  
5 Telephone: (213) 576-6982  
6 -or- (213) 576-6910 (Direct)

**FILED**  
MAR 15 2000  
DEPARTMENT OF REAL ESTATE

By C3

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) NO. H-28446 LA  
12 HOAG PROPERTY MANAGEMENT, INC., ) A C C U S A T I O N  
13 a corporation, )  
14 Respondent. )

15 The Complainant, Thomas McCrady, a Deputy Real Estate  
16 Commissioner of the State of California, for cause of Accusation  
17 against HOAG PROPERTY MANAGEMENT, INC., a corporation  
18 (Respondent), is informed and alleges as follows:

19 I

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

23 II

24 All Sections of Title 10, Chapter 6, California Code  
25 of Regulations, are hereinafter referred to as "Regulations".

26 III

27 At all times herein mentioned, Respondent was and

1 still is licensed and/or has license rights under the Real  
2 Estate Law, Part 1 of Division 4 of the Business and Professions  
3 Code (Code), and was and still is licensed by the Department of  
4 Real Estate of the State of California (Department) as a  
5 corporate real estate broker.

6 IV

7 From June 1998 to present, in Los Angeles County,  
8 California, Respondent, for compensation or in expectation of  
9 compensation, engaged in the business of real property  
10 management with the public, wherein leases of real property were  
11 solicited and negotiated on behalf of owners and tenants.

12 V

13 On or about January 26, 2000, the Department completed  
14 an audit of the activities of Respondent for the period from  
15 December 1, 1998 through November 30, 1999. The results of that  
16 audit are set forth in Paragraphs 6 and 7.

17 VI

18 From 1998 to 1999, in connection with its real estate  
19 business activities, Respondent accepted or received funds in  
20 trust (trust funds) from or on behalf of owners and tenants and  
21 thereafter made disbursements of such funds. These trust funds  
22 were maintained by it in ten (10) trust accounts, four of which  
23 were examined in this audit. The first trust account was at  
24 Calwest Bank, 8345 E. Firestone, Downey, CA 90241, account name  
25 Hoag Property Management, Inc. - Trust Account, account number  
26 001-208705 (TA#1). The remaining accounts were at Sanwa Bank,  
27 10230 S. Paramount Blvd., Downey, CA 90241. The second trust

1 account name A, account number 2039-0142 (TA#2). The third  
2 trust account account name N/A, account number 2031-43179,  
3 (TA#3). The fourth trust account account name N/A, account  
4 number 650310382 (TA#4).

5 VII

6 In connection with those trust funds described in  
7 Paragraph 6, Respondent:

8 (a) maintained a shortage in TA#1 of \$54,741.94 as of  
9 November 30, 1999, and maintained a shortage of \$51,342.53 as of  
10 July 31, 1999, in violation of Code Section 10145 and Section  
11 2832.1 of the Regulations. This shortage was cured on  
12 January 25, 2000;

13 (b) failed to have a designated officer from  
14 August 22, 1998 to November 30, 1999, in violation of Code  
15 Section 10130 (the designated officer Carol Potts died on  
16 August 22, 1998);

17 (c) failed to disclose to principals how interest was  
18 to be calculated and paid for security deposits in interest  
19 bearing accounts TA#2 and TA#4, in violation of Code Section  
20 10145 and Section 2830.1 of the Regulations;

21 (d) failed to maintain columnar records showing the  
22 daily balance of the account, and not all deposits made for TA#1  
23 were recorded, in violation of Code Section 10145 and Section  
24 2831 of the Regulations;

25 (e) failed to record the amount of interest earned  
26 and credited for TA#2, in violation of Code Section 10145 and  
27 Section 2831.1(a)(6) of the Regulations;



1 (f) failed to maintain a complete and accurate trust  
2 account reconciliation for TA#1, TA#2, TA#3 and TA#4, in  
3 violation of Code Section 10145 and Section 2831.2 of the  
4 Regulations;

5 (g) failed to designate as trust accounts TA#2, TA#3  
6 and TA#4, in violation of Code Section 10145 and Section 2832 of  
7 the Regulations;

8 (h) allowed three unlicensed employees to be  
9 signatories on TA#1, TA#2 and TA#3, who were not covered by a  
10 fidelity bond in an amount equal to the maximum amount of trust  
11 funds to which the employee had access to at any time, including  
12 Kenneth Potts, Jennie Campbell and Tammie Waldo, in violation of  
13 Code Section 10145 and Section 2834 of the Regulations;

14 (i) failed to have the property management agreements  
15 covering the compensation with Respondent; instead, the  
16 agreements were with Hoag Company, Inc., in violation of Code  
17 Section 10176(g); and

18 (j) failed to notify the Department regarding the  
19 employment of real estate salesperson Ronald Connors, in  
20 violation of Code Section 10161.8 and Section 2752 of the  
21 Regulations.

22 VIII

23 The conduct of Respondent, as alleged in Paragraphs 5  
24 through 7, constitutes violation under Code Sections 10130 and  
25 10145 and Sections 2752, 2830.1(d), 2831, 2831.1(a)(6), 2831.2,  
26 2832.1, 2832 and 2834 of the Regulations. Said conduct is cause  
27 pursuant to Code Section 10177(d) for the suspension or

1 revocation of all licenses and license rights of Respondent  
2 under the Real Estate Law.

3 WHEREFORE, Complainant prays that a hearing be  
4 conducted on the allegations of this Accusation and that upon  
5 proof thereof, a decision be rendered imposing disciplinary  
6 action against all licenses and license rights of Respondent,  
7 HOAG PROPERTY MANAGEMENT, INC., a corporation, under the Real  
8 Estate Law (Part 1 of Division 4 of the Business and  
9 Professions Code), and for such other and further relief as  
10 may be proper under other applicable provisions of law.

11 Dated at Los Angeles, California  
12 this 15th day of March, 2000.

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15 THOMAS MCCRADY  
16 Deputy Real Estate Commissioner  
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26 cc: Hoag Property Management, Inc.  
27 Thomas McCrady  
Sacto.  
LA Audit Section/Reyes  
MLB