FILED
APR 15 2008
DEPARTMENT OF REAL ESTATE
By

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of ALLIED DEVELOPMENT CORPORATION, and MATUOS YOUNAN MATTI, Respondents.	NO. H-28519 LA

ORDER DENYING REINSTATEMENT OF LICENSE

On February 15, 2001, a Decision was rendered herein revoking the corporate real estate broker license of ALLIED DEVELOPMENT CORPORATION and the real estate broker license of MATUOS YOUNAN MATTI. Respondents were given the right to apply for and receive restricted real estate broker licenses which were issued on March 15, 2001.

On or about March 10, 2004, Respondents petitioned for reinstatement of their real estate licenses and the Attorney General of the State of California has been given notice of the filing of the petition.

I have considered Respondents' petition and the evidence and arguments in support thereof. Respondents have failed to demonstrate to my satisfaction that Respondents have undergone sufficient rehabilitation to warrant the reinstatement of Respondents' real estate broker licenses, in that:

I

In the Decision which revoked Respondents' real estate licenses there was a Determination of Issues made that there was cause to revoke Respondents' real estate licenses pursuant to Business and Professions Code ("Code") Section 10177(d), for violation of Code Section 10145 and Sections 2831 and 2831.1 of Title 10, Chapter 6, California Code of Regulations ("Regulations").

II

On or about June 14, 2000, an Order to Desist and Refrain was filed in Department of Real Estate ("Department") Case Number H-28612 LA, against Respondent MATTI and a licensed real estate corporation for which he was the designated officer. A Department investigation had determined that the corporation had violated Code Sections 10145 and 10240, and that MATTI had violated Code Section 10159.2.

///

///

///

III

The burden of proving rehabilitation rests with the petitioner (Feinstein v. State Bar (1952) 39 Cal. 2d 541). A petitioner is required to show greater proof of honesty and integrity than an applicant for first time licensure. The proof must be sufficient to overcome the prior adverse judgment on the applicant's character (Tardiff v. State Bar (1980) 27 Cal. 3d 395).

The Department has developed criteria in Regulation 2911 to assist in evaluating the rehabilitation of an applicant for reinstatement of a license. Among the criteria relevant in this proceeding are:

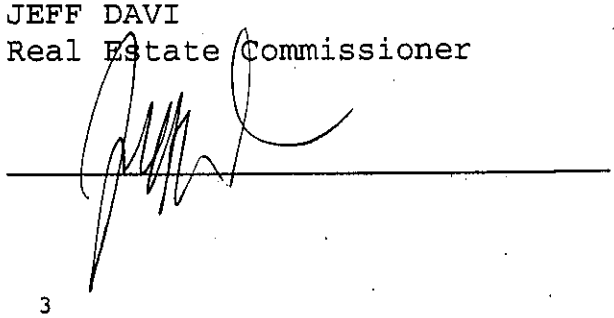
2911 (k)- Respondents have not shown that they have corrected business practices resulting in injury to others or with the potential to cause such injury. On April 16, 2007, the Department filed an Accusation against Respondents in Department Case No. H-33893 LA, alleging violations of the Real Estate Law.

NOW, THEREFORE, IT IS ORDERED that Respondents' petition for reinstatement of Respondents' broker licenses is denied.

This Order shall become effective at 12 o'clock noon on May 5, 2008.

DATED: 4/8/08.

JEFF DAVI
Real Estate Commissioner



Department of Real Estate
320 West Fourth Street, Suite 350
Los Angeles, California 90013-1105
Telephone: (213) 576-6982
Direct: (213) 576-6910

FILED
FEB 23 2001
DEPARTMENT OF REAL ESTATE

By

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of ALLIED DEVELOPMENT CORPORATION, a corporation, dba Re/Max Tri-City Realty, and MATUOS YOUNAN MATTI, individually and as designated officer of Allied Development Corporation, Respondents.	NO. H-28519 LA L-2000050225

STIPULATION AND AGREEMENT

It is hereby stipulated by and between ALLIED DEVELOPMENT CORPORATION, a corporation, dba Re/Max Tri-City Realty (hereinafter "ALLIED") and MATUOS YOUNAN MATTI, individually and as designated officer of Allied Development Corporation (hereinafter "MATTI") (hereinafter sometimes both referred to as "Respondents"), represented by M. Stephen Davis, Esq., and the Complainant, acting by and through Chris Leong, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on April 25, 2000, in this matter.

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924

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

2. Respondents have received, read and understand the Statement to Respondent, the Discovery Provisions of the Administrative Procedure Act and the Accusation, filed by the Department of Real Estate in this proceeding.

3. On May 2, 2000, Respondents 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. Respondents hereby freely and voluntarily withdraw said Notice of Defense. Respondents acknowledge that they understand that by withdrawing said Notice of Defense they will thereby waive their right to require the Commissioner to prove the allegations in the Accusation at a contested hearing held in accordance with the provisions of the Administrative Procedure Act and that Respondents will waive other rights afforded to them in connection with the hearing, such as the right to present evidence in defense of the allegations in the Accusation and the right to cross-examine witnesses.

/////

/////

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924

4. In the interest of expedience and economy, Respondents choose not to contest the factual allegations in Paragraphs 1 through 12 of the Accusation, but to remain silent and understand that, as a result thereof, these factual statements, without being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to herein. The Real Estate Commissioner shall not be required to provide further evidence to prove such allegations.

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

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

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924

DETERMINATION OF ISSUES

By reason of the foregoing stipulations, admissions 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:

The acts and omissions of Respondents, described in Paragraphs 1 through 12 of the Accusation, are a violation of Section 10145 of the California Business and Professions Code ("Code"), and Title 10, Chapter 6, California Code of Regulations Sections 2831 and 2831.1, which are cause for the suspension or revocation of all real estate licenses and license rights of Respondents under the provisions of Section 10177(d) of the Code.

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

All licenses and licensing rights of Respondents ALLIED DEVELOPMENT CORPORATION, a corporation, dba Re/Max Tri-City Realty and MATUOS YOUNAN MATTI, individually and as designated officer of Allied Development Corporation, under Real Estate Law are revoked; provided, however, a restricted corporate real estate broker license shall be issued to Respondent ALLIED and a restricted real estate broker license shall be issued to Respondent MATTI pursuant to Section 10156.5 of the Code, if Respondents make applications therefor and pay to the Department of Real Estate the appropriate fee for the restricted licenses within 90 days from the effective

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924

date of this Decision. The restricted licenses issued to Respondents shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the following limitations, conditions, and restrictions imposed under authority of Section 10156.6 of that Code:

1. The restricted licenses issued to Respondents may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondents' convictions or plea of nolo contendere to a crime which is substantially related to Respondents' fitness or capacity as real estate licensees.

2. The restricted licenses issued to Respondents may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondents have violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted licenses.

3. Respondents shall not be eligible to apply for the issuance of unrestricted real estate licenses nor the removal of any of the conditions, limitations or restrictions of the restricted licenses until at least two years have elapsed from the date of this Decision.

4. Respondent MATTI shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that Respondent has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924

continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If Respondent fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until the Respondent presents such evidence. The Commissioner shall afford Respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

5. Pursuant to Section 10148 of the Business and Professions Code, Respondents shall pay the Commissioner's reasonable cost for: a) the audit which led to this disciplinary action and, b) a subsequent audit to determine if Respondents have corrected the trust fund violations found in the Determination of Issues. The cost of the audit which led to this disciplinary action is $5,192.30. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. Said amount for the subsequent audit shall not exceed $5,192.30.

Respondents shall pay such cost within 60 days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities. The Commissioner may suspend the restricted licenses issued to Respondents pending a hearing held in accordance with Section 11500, et seq., of

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924

the Government Code, if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between the Respondents and the Commissioner. The suspension shall remain in effect until payment is made in full, or until Respondents enter into an agreement satisfactory to the Commissioner to provide for payment, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

6. Respondent MATUOS shall, within six (6) months from the effective date of this Decision, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If Respondent fails to satisfy this condition, the Commissioner may order suspension of Respondent's license until Respondent passes the examination.

7. Respondents shall provide proof satisfactory to the Commissioner, prior to the effective date of this Decision, that the shortage of December 31, 1999, stated in audit report number LA 990293, has been cured.

8. All licenses and licensing rights of ALLIED under the Real Estate Law are suspended for a period of two (2) years from the effective date of this Decision; provided, however, the two (2) year suspension shall be stayed upon condition that:

a. No further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision in this matter.

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924

b. If ALLIED fails to be in accordance with the terms and conditions of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension in which event the Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

c. If Respondent complies with the terms of this Decision and if no further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision, the two (2) stay hereby granted shall become permanent.

9. All licenses and licensing rights of Respondent MATTI under the Real Estate Law are suspended for a period of sixty (60) days from the effective date of this Decision; provided, however, the first thirty (30) days of the sixty (60) day suspension shall be permanently stayed upon condition that:

a. Respondent pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of $33.33 for each day of the suspension for a total monetary penalty of $1,000.00.

b. Said payment 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 received by the Department prior to the effective date of the Decision in this matter.

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924

c. The remaining thirty (30) days of the sixty (60) day suspension shall be stayed on the condition that no further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision in this matter.

d. If Respondent fails to pay the monetary penalty in accordance with the terms and conditions of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension in which event the Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

e. If Respondent pays the monetary penalty and if no further cause for disciplinary action against the real estate license of Respondent occurs within two (2) years from the effective date of the Decision, the stay hereby granted shall become permanent.

DATED: 2/2/01

Chris Leong

CHRIS LEONG , ESQ.
Counsel for Complainant

* * *

We have read the Stipulation and Agreement and its terms are understood by us and are agreeable and acceptable to us. We understand that we are waiving rights given to us by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and we willingly, intelligently and

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924

voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which we would have the right to cross-examine witnesses against us and to present evidence in defense and mitigation of the charges.

Respondents can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by faxing a copy of the signature page, as actually signed by Respondents, to the Department at the following telephone/fax number (213) 576-6917. Respondents agree, acknowledge and understand that by electronically sending to the Department a fax copy of their actual signatures as they appear on the Stipulation and Agreement, that receipt of the faxed copy by the Department shall be as binding on Respondents as if the Department had received the original signed Stipulation and Agreement.

DATED: Jan. 29, 2001

ALLIED DEVELOPMENT CORPORATION, a corporation, dba Re/Max Tri-City Realty, Respondent
by Matuos Younan Matti, designated officer of Allied Development Corporation

DATED: Jan. 29, 2001

MATUOS YOUNAN MATTI, individually and as designated officer of Allied Development Corporation, Respondent

DATED: 1/30/01

M. STEPHEN DAVIS, ESQ.
Counsel for Respondents

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 95 10924

* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision in this matter and shall become effective at 12 o'clock noon on March 15, 2001.

IT IS SO ORDERED February 15, 2001.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924

CHRIS LEONG, Counsel
State Bar Number 141079
Department of Real Estate
320 West Fourth Street, Suite 350
Los Angeles, California 90013-1105
Telephone: (213) 576-6982
-or- (213) 576-6910 (Direct)

FILED
APR 25 2000
DEPARTMENT OF REAL ESTATE
By

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of ALLIED DEVELOPMENT CORPORATION, a corporation, dba Re/Max Tri-City Realty, and MATUOS YOUNAN MATTI, individually and as designated officer of Allied Development Corporation, Respondents.	NO. H-28519 LA ACCUSATION

The Complainant, Thomas McCrady, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against ALLIED DEVELOPMENT CORPORATION, a corporation, dba Re/Max Tri-City Realty (hereinafter "ALLIED"), and MATUOS YOUNAN MATTI individually and as designated officer of ALLIED (hereinafter "MATTI") (hereinafter sometimes collectively referred to as "Respondents"), is informed and alleges as follows:

/////

/////

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 95 10924

1.

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

2.

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

3.

At all times herein mentioned, Respondent ALLIED was and still is licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Business and Professions Code (hereinafter "Code"), and was and still is licensed by the Department of Real Estate of the State of California (hereinafter "Department") as a corporate real estate broker.

4.

At all times herein mentioned, Respondent MATTI, individually and as designated officer of ALLIED, was and still is licensed by the Department as a real estate broker.

5.

From about September 1997 to present, in Los Angeles County, California, ALLIED and MATTI, for compensation or in expectation of compensation, engaged in the real estate sales business with the public, wherein purchasers and sellers of real property were solicited and sales were negotiated on behalf of buyers and sellers.

/////

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924

6.

On or about February 25, 2000, the Department completed an audit of the activities of ALLIED and MATTI, for the period from January 1, 1999 through December 31, 1999. The results of that audit are set forth in Paragraphs 7 and 8.

7.

During 1999, in connection with their real estate business activities, ALLIED and MATTI accepted or received funds in trust (hereinafter "trust funds") from or on behalf of buyers and sellers and thereafter made disbursements of such funds. These trust funds were maintained by them in two trust accounts. The first trust account was at California Federal Bank, 700 North Brand Blvd., Glendale, CA 91203, the account was known as Allied Development Corp. dba RE/MAX Tri City Realty Escrow Div. Trust Account, Account No. 172-405431 (hereinafter "TA#1"). The second account was at Santa Monica Bank, 701 North Brand Blvd., Glendale, CA 91203, the account was known as Allied Development Corp. dba RE/MAX Tri City Realty Escrow Division Trust Account, Account No. 2500310570 (hereinafter "TA#2").

8.

In connection with those trust funds described in Paragraph 7, ALLIED and MATTI:

(a) maintained shortages in TA#1, as of November 30, 1999, of $134,862.24, and as of December 31, 1999, of $139,753.13, in violation of Code Section 10145 and Section 2832.1 of the Regulations. Part of the shortage was caused by an undeposited check in the amount of $103,316.81, from a title

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 95 10924

company, dated November 16, 1999, for escrow number 99-1489. It was deposited on January 10, 2000.

(b) maintained insufficient records of trust funds received and disbursed including date of funds received and deposited and daily balances, in violation of Section 2831 of the Regulations;

(c) failed to maintain adequate separate records including daily balances, in violation of Section 2831.1 of the Regulations;

(d) failed to maintain reconciliation of separate records with the records of all trust funds received, in violation of Section 2831.2 of the Regulations; and

(e) allowed unlicensed and unbonded persons to be signatories on the trust accounts including Carla Prado and Michelle Matti, in violation of Section 2834 of the Regulations. On or about February 9, 2000, Michelle Matti obtained a real estate broker license.

FIRST CAUSE OF ACCUSATION

(Violation by Respondents of Code Sections 10145 and 10177(d) and Sections 2831, 2831.1, 2831.2, 2832.1 and 2834 of the Regulations)

9.

As a First Cause of Accusation, Complainant incorporates herein by this reference the Preamble and each of the allegations in Paragraphs 1 through 8, herein above.

/////

/////

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924

10.

The conduct of Respondents, in handling trust funds as alleged in Paragraphs 5 through 8, constitutes violation under Code Section 10145 and Sections 2831, 2831.1, 2831.2, 2832.1 and 2834 of the Regulations. Said conduct is cause pursuant to Code Section 10177(d) for the suspension or revocation of all licenses and license rights of Respondents under the Real Estate Law.

SECOND CAUSE OF ACCUSATION

(Violation by Respondent MATTI of Section 10177(h) of the Code)

11.

As a Second Cause of Accusation, Complainant incorporates herein by this reference the Preamble and each of the allegations in Paragraphs 1 through 8, herein above.

12.

The conduct of Respondent MATTI, as alleged above, constitutes dishonest dealing under Code Section 10177(h). Said conduct is cause for the suspension or revocation of all licenses and license rights of Respondent MATTI under the Real Estate Law.

/////

/////

/////

/////

/////

/////

/////

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents, ALLIED DEVELOPMENT CORPORATION, a corporation, dba Re/Max Tri-City Realty, and MATUOS YOUNAN MATTI, individually and as designated officer of Allied Development Corporation, 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 25th day of April, 2000.

THOMAS McCRADY
Deputy Real Estate Commissioner

cc: Allied Development Corporation
Matuos Younan Matti
Thomas McCrady
Sacto.
LA Audit Section/Oh
EC

COURT PAPER
STATE OF CALIFORNIA
STD. 113 (REV. 3-95)
OSP 98 10924