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Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013-1105

(213) 576-6911

FILED
JAN 16 2001
DEPARTMENT OF REAL ESTATE

By *Jane B. Orme*

DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	NO. H-28772 LA
SKYLINE PROPERTY SERVICES INC.)	<u>STIPULATION AND AGREEMENT</u>
and ROBERT YOUNG, JR. D.O.,)	
individually and as)	
designated officer of)	
Skyline Property Services Inc.,)	
Respondents.)	

It is hereby stipulated by and between SKYLINE PROPERTY SERVICES INC. and ROBERT YOUNG, JR. D.O., individually and as designated officer of Skyline Property Services Inc. (sometimes referred to as Respondent), and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation in this matter:

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

1 Procedure Act (APA), shall instead and in place thereof be
2 submitted solely on the basis of the provisions of this
3 Stipulation and Agreement (Stipulation).

4 2. Respondents have received, read and understand the
5 Statement to Respondent, the Discovery Provisions of the APA and
6 the Accusation filed by the Department of Real Estate in this
7 proceeding.

8 3. Respondents filed a Notice of Defense pursuant to
9 Section 11506 of the Government Code for the purpose of
10 requesting a hearing on the allegations in the Accusation.
11 Respondents hereby freely and voluntarily withdraw said Notice of
12 Defense. Respondents acknowledge that they understand that by
13 withdrawing said Notice of Defense they thereby waive their right
14 to require the Commissioner to prove the allegations in the
15 Accusation at a contested hearing held in accordance with the
16 provisions of the APA and that they will waive other rights
17 afforded to them in connection with the hearing such as the right
18 to present evidence in their defense and the right to cross-
19 examine witnesses.

20 4. This Stipulation is based on the factual
21 allegations contained in the Accusation. In the interest of
22 expedience and economy, Respondents choose not to contest these
23 allegations, but to remain silent and understand that, as a
24 result thereof, these factual allegations, without being admitted
25 or denied, will serve as a prima facie basis for the disciplinary
26 action stipulated to herein. The Real Estate Commissioner shall

27



1 not be required to provide further evidence to prove said factual
2 allegations.

3 5. This Stipulation is based on Respondents' decision
4 not to contest the allegations set forth in the Accusation as a
5 result of the agreement negotiated between the parties. This
6 Stipulation is expressly limited to this proceeding and any
7 further proceeding initiated by or brought before the Department
8 of Real Estate based upon the factual allegations in the
9 Accusation and is made for the sole purpose of reaching an agreed
10 disposition of this proceeding. The decision of Respondents not
11 to contest the allegations contained in the "Order" herein below,
12 is made solely for the purpose of effectuating this Stipulation.
13 It is the intent and understanding of the parties that this
14 Stipulation shall not be binding or admissible against
15 Respondents in any actions against Respondents by third parties.

16 6. It is understood by the parties that the Real
17 Estate Commissioner may adopt the Stipulation as her Decision in
18 this matter thereby imposing the penalty and sanctions on
19 Respondents' real estate license and license rights as set forth
20 in the "Order" herein below. In the event that the Commissioner
21 in her discretion does not adopt the Stipulation, it shall be
22 void and of no effect, and Respondents shall retain the right to
23 a hearing and proceeding on the Accusation under the provisions
24 of the APA and shall not be bound by any admission or waiver made
25 herein.

26 7. The Order or any subsequent Order of the Real
27 Estate Commissioner made pursuant to this Stipulation shall not



1 constitute an estoppel, merger or bar to any further
2 administrative or civil proceedings by the Department of Real
3 Estate with respect to any matters which were not specifically
4 alleged to be causes for accusation in this proceeding.

5 8. The parties agree that the Accusation shall be
6 amended to reflect the Code and Regulations sections set forth in
7 the Determination of Issues, below.

8 DETERMINATION OF ISSUES

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

13 I

14 The conduct of SKYLINE PROPERTY SERVICES INC., as
15 described in Paragraph 4, above, is in violation of Regulation
16 Section 2832.1 of Title 10, Chapter 6, California Code of
17 Regulations and is a basis for the suspension or revocation of
18 Respondent's license and license rights pursuant to Section
19 10177(d) of the Business and Professions Code.

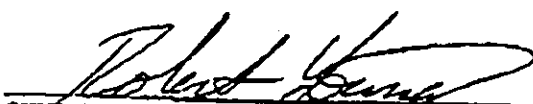
20 II

21 The conduct of ROBERT YOUNG, JR., as described in
22 Paragraph 4, above, constitutes negligence and is a basis for the
23 suspension or revocation of Respondent's license and license
24 rights pursuant to Section 10177(g) of the Business and
25 Professions Code.


26 /
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1 to the Department a fax copy of Respondents' actual signature as
2 they appear on the Stipulation and Agreement, that receipt of the
3 faxed copy by the Department shall be as binding on Respondents
4 as if the Department had received the original signed Stipulation
5 and Agreement.

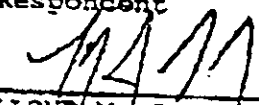
6 DATED: 12/1/00


SKYLINE PROPERTY SERVICES INC.,
BY: ROBERT YOUNG, D.O.,
Respondent

10 DATED: 12/1/00


ROBERT YOUNG, JR.,
Individually and as designated
officer of Skyline Property
Services Inc.,
Respondent

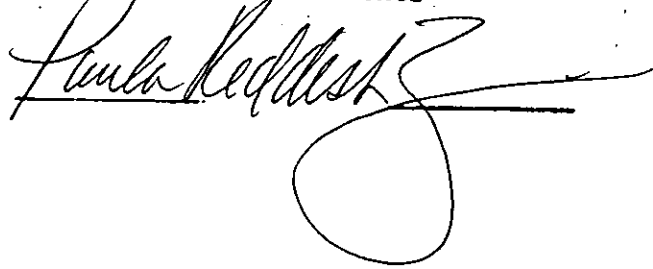
14 DATED: 12/1/00


LLOYD M. SEGAL,
Attorney for Respondents

17 The foregoing Stipulation and Agreement is hereby
18 adopted as my Decision and shall become effective at 12 o' clock
19 noon on February 5, 2001.

21 IT IS SO ORDERED January 4, 2001.

22 PAULA REDDISH ZINNEBANN,
23 Real Estate Commissioner



BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

FILED
OCT 26 2000
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation)
)
SKYLINE PROPERTY SERVICES, INC., et al.,)
)
Respondent(s).)

Case No. H-28772)
OAH No. L-2000100245)

By James B. Orma

NOTICE OF HEARING ON ACCUSATION

To the above-named Respondent(s):

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, 6th Floor, Suite 630, Los Angeles, California, on DECEMBER 19, 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 upon you. Failure to notify the presiding administrative law judge within ten days will deprive you of a change in the place of 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.

Dated: October 26, 2000

DEPARTMENT OF REAL ESTATE

By: Elliott MacLennan
ELLIOTT MACLENNAN, Counsel

cc: Skyline Property Services, Inc.
Robert Young, Jr.
Lloyd M. Segal, Esq.
Sacto., OAH

*Sacto
Hearg*

5/20/00

1 ELLIOTT MAC LENNAN, Counsel SBN #66674
2 Department of Real Estate
3 320 W. 4th Street, Suite 350
4 Los Angeles, California 90013-1105
5 Telephone (213) 576-6911

FILED
SEP 22 2000
DEPARTMENT OF REAL ESTATE

By *Laura B. Cron*

9 DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * * * *

12 In the Matter of the Accusation of)
13 SKYLINE PROPERTY SERVICES, INC.)
14 and ROBERT YOUNG, JR.,)
15 individually, and as)
16 designated officer of)
17 Skyline Property Management, Inc.,)
18 Respondents.)

No. H-28772 LA

A C C U S A T I O N

18 The Complainant, Thomas McCrady, acting in his official
19 capacity as a Deputy Real Estate Commissioner of the State of
20 California, for cause of accusation against SKYLINE PROPERTY
21 SERVICES, INC., dba Skyline Properties, and ROBERT YOUNG, JR.
22 individually and as designated officer of Skyline Property
23 Services, Inc., is informed and alleges as follows:

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SKYLINE PROPERTY SERVICES, INC. (SKYLINE), ROBERT YOUNG, JR. (YOUNG), sometimes collectively referred to as Respondents, are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code).

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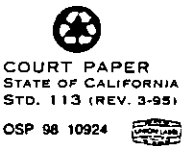
All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

3

On August 17, 1999, SKYLINE was first licensed by the Department of Real Estate of the State of California (Department) as a corporate real estate broker. From August 17, 1999, to date, YOUNG was and is the designated officer.

4

At all times mentioned, YOUNG was licensed by the Department as designated officer of SKYLINE to qualify it and to act for it as a real estate broker. And, as provided by Section 10159.2 of the Code, was responsible for the supervision and control of the activities conducted on SKYLINE's behalf by its officers, managers and employees as necessary to secure full compliance with the provisions of the Real Estate Law including the supervision of the salespersons licensed to the corporation in the performance of acts for which a real estate license is required. On August 20, 1998, YOUNG was first licensed by the Department as a real estate broker.



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Whenever reference is made in an allegation in the accusation to an act or omission of SKYLINE such allegation shall be deemed to mean that the officers, directors, managers, employees, agents and real estate licensees employed by or associated with SKYLINE committed such act or omission while engaged in the furtherance of the business or operation of SKYLINE and while acting within the course and scope of its corporate authority, agency and employment.

Since August 17, 1999, in the City of Lakewood, Los Angeles County, SKYLINE acted as a real estate broker, within the meaning of Section 10131(b) of the Code, including conducting licensed activities as a property management business.

On July 28, 2000, the Department completed an audit examination of the books and records of SKYLINE dba Skyline Properties pertaining to its property management activities referred to in Paragraph 6. The audit examination covered a period of time beginning on August 1, 1999 and ending on June 27 2000. The audit examination revealed violations of the Code and the Regulations as set forth in the following paragraphs.

In connection with the activities described in Paragraph 7, above, SKYLINE accepted or received funds in trust (trust funds) from or on behalf of actual or prospective tenants, lessors and lessees. Thereafter SKYLINE made disposition of such

1 funds. SKYLINE maintained the following trust account at the
2 Union Bank of California, Bellflower, California, during the
3 audit period as set forth below:

4 "Skyline Property Services, Inc. Security Trust Account
5 Account Number 9120112128"

6 9

7 With respect to the trust funds referred to in
8 Paragraph 8, SKYLINE:

9 (a) Permitted, allowed or caused the disbursement of
10 trust funds from the trust account, where the disbursement of
11 these funds reduced the total of aggregate funds in the trust
12 account, to an amount which, on November 31, 2000, was \$19,784.34
13 less than the existing aggregate trust fund liability of SKYLINE
14 to every principal who was an owner of these funds, without first
15 obtaining their prior written consent, as required by Section
16 10145 of the Code and Section 2832.1 of the Regulations. Said
17 trust account appears to have been cured as of June 30, 2000.

18 10

19 The conduct of SKYLINE, described in Paragraph 9,
20 above, violated the Code and the Regulations now set forth:

21 PARAGRAPH

PROVISIONS VIOLATED

22 9(a)

Section 10145 of the Code, and

23 Sections 2832.1 of the Regulations
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1 The foregoing violation constitutes cause for the suspension or
2 revocation of the real estate license and license rights of
3 SKYLINE under Section 10177(d) of the Code.

4 11

5 On July 12, 1999, in case number H-27994 LA, the real
6 estate broker license of James Arthur Webb, a ten (10%)
7 shareholder of SKYLINE, was revoked for commingling and
8 conversion, which constitute violations of Sections 10177(d),
9 10176(e) and 10176(i) of the Code. The conduct of SKYLINE in
10 permitting James Arthur Webb to become a ten (10%) shareholder of
11 SKYLINE is in violation of Section 10177 of the Code. This
12 conduct is cause for the suspension or revocation of SKYLINE's
13 real estate license and license rights under said section.

14 12

15 The overall conduct of Respondent YOUNG constitutes
16 negligence. This conduct is cause for the suspension or
17 revocation of his real estate license and license rights under
18 Section 10177(g) of the Code.

19 13

20 The conduct of Respondent YOUNG, constitutes a failure
21 on the part of YOUNG, as officer designated by a corporate broker
22 licensee, to exercise the reasonable supervision and control over
23 the licensed activities of SKYLINE as required by Section 10159.2
24 of the Code, and to keep it in compliance with the Real Estate
25 Law, is cause for the suspension or revocation of the real estate
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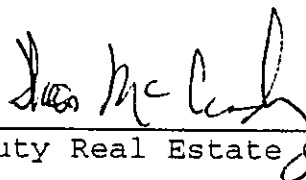


1 licenses and license rights of YOUNG pursuant to the provisions
2 of Sections 10159.2 and 10177(h) of the Code.

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 the licenses and license rights of Respondents
7 SKYLINE PROPERTY SERVICES, INC., and ROBERT YOUNG, JR.
8 individually and as designated officer of Skyline Property
9 Services, Inc. under the Real Estate Law (Part 1 of Division 4 of
10 the Business and Professions Code) and for such other and further
11 relief as may be proper under other applicable provisions of law.

12 Dated at Los Angeles, California

13 this 22nd day of September, 2000.

14 
15 _____
16 Deputy Real Estate Commissioner

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22 cc Robert Young, Jr., D.O.
23 c/o Skyline Property Services, Inc.

24 Robert Young, Jr.,
25 Audit Section
26 Sacto
27 MA
TM

