

facts
file

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

FILED
JUN - 9 2003

DEPARTMENT OF REAL ESTATE

By *K. Heddell*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

| | |
|--------------------------------------|--------------------|
| In the Matter of the Accusation of) | DRE No. H-29721 LA |
| RONALD L. WOLFE & ASSOCIATES,) | |
| and RONALD LEIGH WOLFE,) | |
| Respondents.) | |

ORDER STAYING EFFECTIVE DATE

On April 2, 2003, a Decision was rendered in the above-entitled matter to become effective May 12, 2003. On May 8, 2003, the effective date of the Decision of April 22, 2003, was stayed for thirty days, to become effective June 11, 2003.

IT IS HEREBY ORDERED that the effective date of the Decision of April 2, 1998, is stayed for an additional ten days.

/
/
/
/

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

The Decision of April 2, 2003, shall become effective at
12 o'clock noon on June 20, 2003.

DATED: June 9, 2003

PAULA REDDISH ZINNEMAN
Real Estate Commissioner

By: Dolores Ramos
DOLORES RAMOS
Regional Manager *by [Signature]*

*Subp
Dkt*

FILED
MAY 8 2003
DEPARTMENT OF REAL ESTATE

1 ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
2 320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105
3
4 Telephone: (213) 576-6911 (direct)
-or- (213) 576-6982 (office)

Jana B. Rowe

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

| | | | |
|----|------------------------------------|---|----------------------|
| 10 | |) | DRE NO. H-29721 LA |
| 11 | In the Matter of the Accusation of |) | OAH NO. L-2002120083 |
| 12 | RONALD L. WOLFE & ASSOCIATES INC. |) | |
| 13 | and RONALD LEIGH WOLFE, |) | |
| 14 | individually and as designated |) | |
| 15 | officer of Ronald L. Wolfe & |) | |
| | Associates Inc. |) | |
| | |) | |
| | Respondents. |) | |

ORDER STAYING EFFECTIVE DATE

17
18 On April 2, 2003, a Stipulation and Agreement was
19 rendered in the above-entitled matter to become effective May 12,
20 2003.

21 IT IS HEREBY ORDERED that the effective date of the
22 Stipulation and Agreement, is stayed for a period of 30 days.

23 ///
24 ///
25 ///
26 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

The Stipulation and Agreement dated April 2, 2003,
shall become effective at 12 o'clock noon on June 11, 2003.

DATED May 8, 2003

PAULA REDDISH ZINNEBANN
Real Estate Commissioner



DOLORES RAMOS
Regional Manager

1 ELLIOTT MAC LENNAN, Counsel (SBN 66674)
2 Department of Real Estate
3 320 W. 4TH Street, Suite 350
4 Los Angeles, CA 90013-1105

FILED
APR 11 2003
DEPARTMENT OF REAL ESTATE

5 Telephone: (213) 576-6982 (Office)
6 -or- (213) 576-6911 (Direct)

By *R. W. Roberts*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

| | | | |
|----|--------------------------------------|---|--------------------|
| 11 | In the Matter of the Accusation of |) | No. H-29721 LA |
| 12 | RONALD L. WOLFE & ASSOCIATES INC., |) | |
| 13 | and RONALD LEIGH WOLFE, individually |) | <u>STIPULATION</u> |
| 14 | and as designated officer of |) | <u>AND</u> |
| 15 | Ronald L. Wolfe & Associates Inc. |) | <u>AGREEMENT</u> |
| | Respondents. |) | |

16 It is hereby stipulated by and between Respondents
17 RONALD L. WOLFE & ASSOCIATES INC., and RONALD LEIGH WOLFE,
18 individually and as designated officer of Ronald L. Wolfe &
19 Associates Inc. (sometimes collectively referred to as
20 "Respondents"), represented by Rose Pothier, Esq., and the
21 Complainant, acting by and through Elliott Mac Lennan, Counsel
22 for the Department of Real Estate, as follows for the purpose of
23 settling and disposing of the Accusation filed on October 10,
24 2002, in this matter:

- 25
26 1. All issues which were to be contested and all
27 evidence which was to be presented by Complainant and Respondents

1 at a formal hearing on the Accusation, which hearing was to be
2 held in accordance with the provisions of the Administrative
3 Procedure Act ("APA"), shall instead and in place thereof be
4 submitted solely on the basis of the provisions of this
5 Stipulation and Agreement ("Stipulation").

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

10 3. On November 8, 2002, Respondents filed a Notice of
11 Defense pursuant to Section 11506 of the Government Code for the
12 purpose of requesting a hearing on the allegations in the
13 Accusation. Respondents hereby freely and voluntarily withdraw
14 said Notice of Defense. Respondents acknowledge that they
15 understand that by withdrawing said Notice of Defense they
16 thereby waive their right to require the Commissioner to prove
17 the allegations in the Accusation at a contested hearing held in
18 accordance with the provisions of the APA and that they will
19 waive other rights afforded to them in connection with the
20 hearing such as the right to present evidence in their defense
21 the right to cross-examine witnesses.

22 4. This Stipulation is based on the factual
23 allegations contained in the Accusation. In the interest of
24 expedience and economy, Respondents choose not to contest these
25 allegations, but to remain silent and understand that, as a
26
27

1 result thereof, these factual allegations, without being admitted
2 or denied, will serve as a prima facie basis for the disciplinary
3 action stipulated to herein. The Real Estate Commissioner shall
4 not be required to provide further evidence to prove said factual
5 allegations.

6 5. This Stipulation is based on Respondents' decision
7 not to contest the allegations set forth in the Accusation as a
8 result of the agreement negotiated between the parties. This
9 Stipulation is expressly limited to this proceeding and any
10 further proceeding initiated by or brought before the Department
11 of Real Estate based upon the facts and circumstances alleged in
12 the Accusation and is made for the sole purpose of reaching an
13 agreed disposition of this proceeding without a hearing. The
14 decision of Respondents not to contest the allegations is made
15 solely for the purpose of effectuating this Stipulation. It is
16 the intent and understanding of the parties that this Stipulation
17 shall not be binding or admissible against Respondents in any
18 actions against Respondents by third parties.
19

20 6. It is understood by the parties that the Real
21 Estate Commissioner may adopt this Stipulation as her Decision in
22 this matter thereby imposing the penalty and sanctions on
23 Respondents' real estate licenses and license rights as set forth
24 in the "Order" herein below. In the event that the Commissioner
25 in her discretion does not adopt the Stipulation, it shall be
26 void and of no effect and Respondents shall retain the right to a
27

1 hearing and proceeding on the Accusation under the provisions of
2 the APA and shall not be bound by any stipulation or waiver made
3 herein.

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

10 8. This Stipulation and the order made pursuant to
11 this Stipulation shall have no collateral estoppel or res
12 judicata effect in any proceeding(s) in which RONALD L. WOLFE &
13 ASSOCIATES INC. and RONALD LEIGH WOLFE and the Department are not
14 parties. This Stipulation is made and accepted with the express
15 understanding and agreement that it is for the purpose of
16 settling these proceedings only, and is not intended as, nor
17 shall be it be deemed, used, argued, or accepted as an
18 acknowledgement or admission of fact in any other judicial,
19 administrative, or other proceeding in which the Department is
20 not a party.
21

22 9. Respondents understand that by agreeing to this
23 Stipulation, Respondents agree to pay, pursuant to Business and
24 Professions Code Section 10148, the cost of the audit (Ronald L.
25 Wolfe & Associates Inc.) which led to this disciplinary action.
26 The amount of said cost is \$15,324.89.
27

10. Respondents have received, read, and understand the "Notice Concerning Costs of Subsequent Audit". Respondents further understand that by agreeing to this Stipulation, the findings set forth below in the Determination of Issues become final, and the Commissioner may charge Respondents for the cost of any subsequent audit conducted pursuant to Business and Professions Code Section 10148 to determine if the violations have been corrected. The maximum cost of the subsequent audit will not exceed \$15,324.89.

DETERMINATION OF ISSUES

By reason of the foregoing, it is stipulated and agreed that the following determination of issues shall be made:

I

The conduct of RONALD L. WOLFE & ASSOCIATES INC., as described in Paragraph 4, is in violation of Section 10145 of the Business and Professions Code ("Code") and Sections 2831, 2831.1, 2831.2, 2832.1 and 2835 of Title 10, Chapter 6 of the California Code of Regulations ("Regulations") and is a basis for the suspension or revocation of Respondent's license and license rights as a violation of the Real Estate Law pursuant to Code Sections 10177(d) and 10177(g).

///

///

///

///

II

1 The conduct of RONALD LEIGH WOLFE, as described in
2 Paragraph 4, constitutes a failure to keep Ronald L. Wolfe &
3 Associates Inc., in compliance with the Real Estate Law during
4 the time that he was the officer designated by a corporate broker
5 licensee in violation of Section 10159.2 of the Code. This
6 conduct is a basis for the suspension or revocation of
7 Respondent's license pursuant to Code Section 10177(h).

9 ORDER

10 WHEREFORE, THE FOLLOWING ORDER is hereby made:

11 I

12 All licenses and licensing rights of Respondents RONALD
13 L. WOLFE & ASSOCIATES INC. and RONALD LEIGH WOLFE, under the Real
14 Estate Law are revoked; provided, however, new restricted real
15 estate broker licenses shall be issued to said Respondents,
16 pursuant to Section 10156.5 of the Business and Professions Code
17 if Respondents:

18 (A) Make application thereof and pays to the Department
19 of Real Estate the appropriate fee for the restricted license
20 within ninety (90) days from the effective date of this Decision.

21 (B) Prior to and as a condition of the issuance of a
22 new restricted license, Respondent RONALD LEIGH WOLFE shall
23 submit proof satisfactory to the Commissioner of having taken and
24 completed at an accredited institution the continuing education
25 course on trust fund accounting and handling specified on
26 _____

1 paragraph (3) of subdivision (a) of Section 10170.5 of the
2 Business and Professions Code.

3 (C) Prior to and as a condition of the issuance of any
4 restricted license, Respondents shall first provide evidence
5 satisfactory to the Commissioner that the trust fund deficit set
6 forth in the Accusation and in Audit Reports LA 010077/010169
7 (Ronald L. Wolfe & Associates Inc.), in the amount of \$986.03, as
8 of August 31, 2001, has been cured, including the identification
9 of the source of funds used to cure the deficit; and

10 (D) Prior to and as a condition of the issuance of any
11 restricted license, Respondent RONALD LEIGH WOLFE shall first
12 provide evidence satisfactory to the Commissioner that
13 Respondent has taken and passed the Professional Responsibility
14 Examination administered by the Department including the payment
15 of the appropriate examination fee. The restricted license
16 issued to Respondent shall be subject to all of the provisions
17 of Section 10156.7 of the Code and the following limitations,
18 conditions and restrictions imposed under authority of Section
19 10156.6 of that Code:

20
21 1. The restricted license issued to Respondents may be
22 suspended prior to hearing by Order of the Real Estate
23 Commissioner in the event of a Respondent's conviction or plea of
24 nolo contendere to a crime which is substantially related to a
25 Respondent's fitness or capacity as a real estate licensee.

26 2. The restricted licenses issued to Respondents may
27

1 be suspended prior to hearing by Order of the Real Estate
2 Commissioner on evidence satisfactory to the Commissioner that a
3 Respondent has violated provisions of the California Real Estate
4 Law, the Subdivided Lands Law, Regulations of the Real Estate
5 Commissioner or conditions attaching to the restricted license.

6 3. Respondents shall not be eligible to apply for the
7 issuance of an unrestricted real estate license nor for the
8 removal of any of the conditions, limitations or restrictions of
9 a restricted license until two (2) years have elapsed from the
10 effective date of this Decision.

11 4. Respondent RONALD LEIGH WOLFE shall, within nine
12 (9) months from the effective date of this Decision, present
13 evidence satisfactory to the Real Estate Commissioner that
14 Respondent has, since the most recent issuance of an original or
15 renewal real estate license, taken and successfully completed the
16 continuing education requirements of Article 2.5 of Chapter 3 of
17 the Real Estate Law for renewal of a real estate license. If
18 Respondent RONALD LEIGH WOLFE fails to satisfy this condition,
19 the Commissioner may order the suspension of his license until
20 the Respondent presents such evidence. The Commissioner shall
21 afford Respondent the opportunity for a hearing pursuant to the
22 Administrative Procedure Act to present such evidence.

24 5. Pursuant to Section 10148 of the Business and
25 Professions Code, Respondents shall pay the Commissioner's
26 reasonable cost for (a) the audits which led to this
27

1 disciplinary action and (b) a subsequent audits to determine if
2 Respondent RONALD L. WOLFE & ASSOCIATES INC. and RONALD LEIGH
3 WOLFE are now in compliance with the Real Estate Law. The cost
4 of the audit which led to this disciplinary action is
5 \$15,324.89. (Ronald L. Wolfe & Associates Inc.). In calculating
6 the amount of the Commissioner's reasonable cost, the
7 Commissioner may use the estimated average hourly salary for all
8 persons performing audits of real estate brokers, and shall
9 include an allocation for travel time to and from the auditor's
10 place of work. Said amount for the prior and subsequent audits
11 shall not exceed \$30,649.78. Respondents are jointly and
12 severally liable for the cost of the audits.

13 Respondents shall pay such cost within 60 days of
14 receiving an invoice from the Commissioner detailing the
15 activities performed during the audit and the amount of time
16 spent performing those activities.

17 The Commissioner may suspend the license of Respondents
18 pending a hearing held in accordance with Section 11500, et seq.,
19 of the Government Code, if payment is not timely made as provided
20 for herein, or as provided for in a subsequent agreement between
21 the Respondents and the Commissioner. The suspension shall
22 remain in effect until payment is made in full or until a
23 Respondent enters into an agreement satisfactory to the
24 Commissioner to provide for payment, or until a decision
25 providing otherwise is adopted following a hearing held pursuant
26
27

1 to this condition.

2 II

3 The restricted licenses issued to Respondents
4 RONALD L. WOLFE & ASSOCIATES INC., and RONALD LEIGH WOLFE
5 pursuant to Paragraph I above are suspended for a period of one
6 hundred (100) days from the date of issuance; provided, however,
7 that if Respondents' petition said suspension (or a portion
8 thereof) shall be stayed for two (2) years upon condition that:

9 1. Respondents pay a monetary penalty pursuant to
10 Section 10175.2 of the Business and Professions Code at a rate of
11 \$50 for each day of the suspension for a total monetary penalty
12 of \$5,000 for each Respondent, totaling \$10,000 for both
13 Respondents.

14 2. Said payment shall be in the form of a cashier's
15 check or certified check made payable to the Recovery Account of
16 the Real Estate Fund. Said check must be received by the
17 Department prior to the effective date of the Decision in this
18 matter.

19 3. No further cause for disciplinary action against
20 the real estate license of Respondents occur within two (2) years
21 from the effective date of the Decision in this matter.

22 4. If Respondents fail to pay the monetary penalty in
23 accordance with the terms and conditions of the Decision, the
24 Commissioner may, without a hearing, order the immediate
25
26
27

1 execution of all or any part of the stayed suspension in which
2 event Respondents shall not be entitled to any repayment nor
3 credit, prorated or otherwise, for money paid to the Department
4 under the terms of this Decision.

5 5. If Respondents pay the monetary penalty and if no
6 further cause for disciplinary action against the real estate
7 licenses of Respondents occur within two (2) years from the
8 effective date of the Decision, the stay hereby granted shall
9 become permanent.

10 III

11 So long as RONALD L. WOLFE INC. has a restricted real
12 estate license, RONALD L. WOLFE INC. shall submit to the
13 Department of Real Estate a Quarterly Trust Fund Position
14 Statement as of the last day of each March, June, September and
15 December. The Position Statement shall be submitted to the
16 District Manager of the Department's Los Angeles office not later
17 than 60 days following the last day of each calendar quarter.
18 The Position Statement shall include the information and
19 documents specified below and be verified as true and accurate by
20 Respondent RONALD L. WOLFE INC. under penalty of perjury. If
21 said Respondent RONALD L. WOLFE INC. has no trust fund liability
22 as of the last day of the calendar quarter, the Position
23 Statement shall so state.

24
25 ///

26 ///

27

The Position Statement shall consist of the following:

(1) A schedule of trust fund accountability with the following information concerning funds held by Respondent RONALD L. WOLFE INC. as agent or trustee to the owner(s) of said funds:

(a) Account number and depositories.

(b) Names of principals and beneficiaries.

(c) Trust fund liability to (b).

(2) A report of trust funds in the custody and control of Respondent as of the accounting date consisting of:

(a) A copy of Respondent's trust accounts' bank statements (listed above as (1)(a)) showing the balance of funds in the accounts as of the accounting date.

(b) A schedule of uncleared checks drawn on the accounts adjusting the accounts to their true balance as of the accounting date.

(3) A copy of Respondent's (a) trust funds records maintained pursuant to Section 2831 of the Regulations, (b) separate records maintained pursuant to Section 2831.1 of the Regulations and (c) reconciliation maintained pursuant to Section 2831.2 of the Regulations.

(4) A statement explaining any discrepancy between the total liability shown under (1) above and the adjusted trust accounts' balances shown under (2) above.

1 DATED: 2-19-03

E. J. W.
ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

3 * * *

4 EXECUTION OF THE STIPULATION

5 We have read the Stipulation, and have discussed it
6 with our counsel. Its terms are understood by us and are
7 agreeable and acceptable to us. We understand that we are
8 waiving rights given to us by the California Administrative
9 Procedure Act (including but not limited to Sections 11506,
10 11508, 11509 and 11513 of the Government Code), and we willingly,
11 intelligently and voluntarily waive those rights, including the
12 right of requiring the Commissioner to prove the allegations in
13 the Accusation at a hearing at which we would have the right to
14 cross-examine witnesses against us and to present evidence in
15 defense and mitigation of the charges.


17 Respondents can signify acceptance and approval of the
18 terms and conditions of this Stipulation by faxing a copy of its
19 signature page, as actually signed by Respondents, to the
20 Department at the following telephone/fax number: Elliott Mac
21 Lennan at (213) 576-6917. Respondents agree, acknowledge and
22 understand that by electronically sending to the Department a fax
23 copy of Respondents' actual signature as they appear on the
24 Stipulation, that receipt of the faxed copy by the Department
25 shall be as binding on Respondents as if the Department had
26 received the original signed Stipulation.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

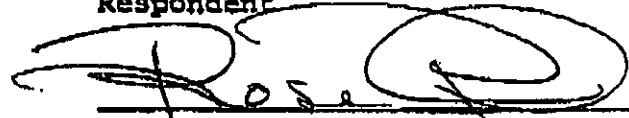
DATED: _____


RONALD L. WOLFE & ASSOCIATES INC.
BY: RONALD LEIGH WOLFE , D.O.,
Respondent

DATED: _____


RONALD LEIGH WOLFE, individually
and as designated officer of Ronald
L. Wolfe & Associates Inc.,
Respondent

DATED: _____


ROSE POTHIER, Attorney for
Respondents

* * *

The foregoing Stipulation and Agreement is hereby
adopted as my Decision as to Respondents RONALD L. WOLFE &
ASSOCIATES INC. and RONALD LEIGH WOLFE, individually and as
designated officer of Ronald L. Wolfe & Associates Inc. and shall
become effective at 12 o'clock noon on _____, 2003.

IT IS SO ORDERED _____, 2003.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

DATED: _____

RONALD L. WOLFE & ASSOCIATES INC.
BY: RONALD LEIGH WOLFE , D.O.,
Respondent

DATED: _____

RONALD LEIGH WOLFE, individually
and as designated officer of Ronald
L. Wolfe & Associates Inc.,
Respondent

DATED: _____

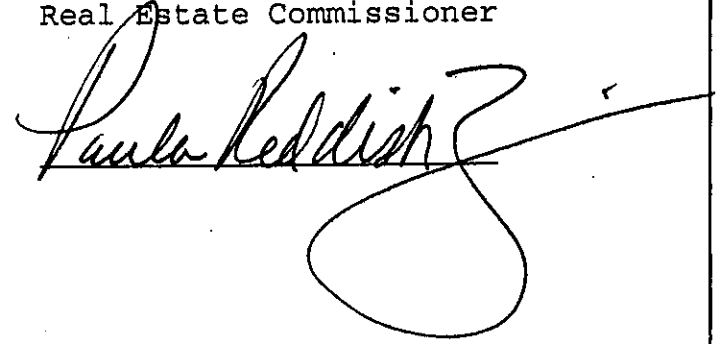
ROSE POTHIER, Attorney for
Respondents

* * *

The foregoing Stipulation and Agreement is hereby
adopted as my Decision as to Respondents RONALD L. WOLFE &
ASSOCIATES INC. and RONALD LEIGH WOLFE, individually and as
designated officer of Ronald L. Wolfe & Associates Inc. and shall
become effective at 12 o'clock noon on May 12, 2003.

IT IS SO ORDERED April 2, 2003.

PAULA REDDISH ZINNEMANN
Real Estate Commissioner



*Sacto
Hos*

**BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA**

FILED
JAN - 7 2003
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

By *K. Kneiderholt*

RONALD L. WOLFE & ASSOCIATES INC.
et al.,

}

Case No. H-29721 LA

OAH No. L-2002120083

Respondent

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at **Office of Administrative Hearings, 320 West Fourth Street, Ste. 630, Los Angeles, CA** on **March 17, 2003**, 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: January 6, 2003

By *E. J. W.*
ELLIOTT MAC LENNAN, Counsel

cc: Ronald L. Wolfe & Assoc./Ronald L. Wolfe
Rose Pothier, Esq.
Sacto/OAH/OA

Max Glas

1 ELLIOTT MAC LENNAN, SBN 66674
Department of Real Estate
2 320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

FILED
OCT 10 2002
DEPARTMENT OF REAL ESTATE

3 Telephone: (213) 576-6911 (direct)
4 -or- (213) 576-6982 (office)

By *K. H. ...*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 RONALD L. WOLFE & ASSOCIATES INC.)
12 and RONALD LEIGH WOLFE,)
13 individually and as designated)
14 officer of Ronald L. Wolfe &)
Associates Inc.)
15 Respondents.)

NO. H- 29721 LA
A C C U S A T I O N

16 The Complainant, Maria Suarez, a Deputy Real Estate
17 Commissioner of the State of California, for cause of Accusation
18 against RONALD L. WOLFE & ASSOCIATES INC. and RONALD LEIGH WOLFE,
19 individually and as designated officer of Ronald L. Wolfe &
20 Associates Inc., alleges as follows:

21 1.

22 The Complainant, Maria Suarez, acting in her official
23 capacity as a Deputy Real Estate Commissioner of the State of
24 California, makes this Accusation against RONALD L. WOLFE &
25 ASSOCIATES INC. ("RWLA") and RONALD LEIGH WOLFE, individually and
26

1 as designated officer of Ronald L. Wolfe & Associates Inc.,
2 ("WOLFE").

3 2.

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

7 3.

8 RWLA and WOLFE (sometimes hereinafter referred to as
9 Respondents) are presently licensed or have license rights under
10 the Real Estate Law (Part 1 of Division 4 of the Business and
11 Professions Code, hereinafter "Code").

12 4.

13
14 At all time herein mentioned, WOLFE was licensed by the
15 Department as the designated officer of RWLA to qualify RWLA and
16 to act for RWLA as a real estate broker and, as provided by Code
17 Section 10159.2, was responsible for the supervision and control
18 of the activities conducted on behalf of RWLA by its officers,
19 managers and employees as necessary to secure full compliance
20 with the provisions of the Real Estate Law including the
21 supervision of the salespersons licensed to the corporation in
22 the performance of acts for which a real estate license is
23 required.

24 ///

25 ///

26 ///

27 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

5.

LICENSE HISTORY

A. RWLA'S real estate broker license was originally issued on August 14, 1984. Effective October 27, 1992, that license was revoked with a right to the issuance of a restricted real estate license which was issued on the same date therein, pursuant to Case No. H-24643 LA. That restricted license was revoked and a restricted real estate license was issued on October 17, 1996, pursuant to Case No. H-26138 LA.

B. WOLFE was originally licensed as a real estate broker on July 13, 1972. Effective October 27, 1992, that license was revoked with a right to the issuance of a restricted real estate license which was issued on the same date therein, pursuant to Case No. H-24643 LA. That restricted license was revoked and a new restricted real estate license was issued on October 17, 1996, pursuant to Case No. H-26138 LA. RWLA's and WOLFE's prior discipline is more fully set forth in Paragraphs 12-14, below.

6.

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

1 7.

2 At all times herein mentioned, RWLA, on behalf of
3 others in expectation of compensation, engaged in the business,
4 acted in the capacity of, advertised or assumed to act as a real
5 estate broker within the meaning of:

6 A. Code Section 10131(b) wherein RWLA operated a
7 property management brokerage with the public wherein, for or in
8 expectation of compensation, for another or others, RWLA leased
9 or rented or offered to lease or rent, or placed for rent, or
10 solicited listings of places for rent, or solicited for
11 prospective tenants, or collected rents from real property, or
12 improvements thereon; and,

13 B. Code Section 10131(d) wherein RWLA operated as a
14 mortgage and loan broker, including soliciting borrowers and
15 lenders and negotiating and servicing loans on real property.

16 8.

17 On November 28, 2001, the Department completed an audit
18 examination of the books and records of RWLA pertaining to its
19 property management and mortgage and loan brokerage activities
20 requiring a real estate license as described in Paragraph 7. The
21 audit examination covered a period of time beginning on January
22 1, 2001 to August 31, 2001. The audit examination revealed
23 violations of the Code and the Regulations as set forth below and
24 as more fully discussed in Audit Report LA 010077/010169 and the
25 exhibits and workpapers attached to said audit report. The prior
26 audit examinations of RWLA were as follows:
27

| <u>AUDIT NO.</u> | <u>DATE</u> | <u>AUDIT PERIOD</u> |
|-------------------------|-------------------|---------------------|
| LA 010077/ LA 010069 | November 28, 2001 | 1-1-01 to 8-31-01 |
| LA 010044 | September 4, 2001 | 4-1-01 to 6-30-01 |
| LA 010007 | August 27, 2001 | 1-1-01 to 3-31-01 |
| LA 010390 | June 28, 2001 | 10-1-01 to 12-31-00 |

9.

FIRST CAUSE OF ACTION
(Audit violations)

At all times mentioned, in connection with the activities described in Paragraph 7, above, RWLA accepted or received funds in trust (trust funds) from or on behalf of, landlords and tenants, and borrowers and lenders, and thereafter made disposition of such funds. RWLA maintained nine (9) trust accounts during the audit period of which the below two (2) trust accounts were reviewed and reconciled for this audit and into which trust accounts were deposited certain of these funds at the Mid-State Bank, 5340 Hollister Ave. Santa Barbara, California:

- "Ronald L. Wolfe & Associates Inc.
Management Trust Account
Account No. 03-026833"
(Property Management Trust Account) (T/A #1)

- "Ronald L. Wolfe & Associates Inc.
Management Trust Account
Account No. 03-020487"
(Loan Servicing Collection Trust Account) (T/A #2)

With respect to the trust funds referred to in Paragraph 9, it is alleged that RWLA:

(a) Permitted, allowed or caused the disbursement of trust funds from T/A #1, to an amount which on the following dates was less than the existing aggregate trust fund liability of RWLA to every principal who was an owner of said funds, without first obtaining the prior written consent of the owners of said funds, as required by Code Section 10145 and Regulation 2832.1:

| <u>DATE</u> | <u>AMOUNT OF TRUST FUND SHORTAGE</u> |
|-----------------------|--------------------------------------|
| (1) December 31, 2000 | \$24,167.97 (LA 000390 Audit) |
| (2) March 31, 2001 | \$11,997.38 (LA 010007 Audit) |
| (3) June 30, 2001 | \$ 5,852.87 (LA 010044 Audit) |
| (4) August 31, 2001 | \$ 986.03 (LA 010077 Audit) |

These trust fund shortages were restored on September 13, 2001.

(b) Failed to maintain an accurate and complete control record in the form of a columnar record in chronological order of all trust funds received for T/A #1 and T/A #2, as required by Code Section 10145 and Regulation 2831.

(c) Failed to maintain an accurate and complete separate record for each beneficiary or transaction, thereby failing to account for all trust funds received, deposited into, and disbursed from T/A #1, as required by Code Section 10145 and Regulation 2831.1.

1 (d) Failed to perform an accurate or complete monthly
2 reconciliation of the balance of all separate beneficiary or
3 transaction records maintained pursuant to Regulation 2831.1 with
4 the record of all trust funds received and disbursed by T/A #1 as
5 required by Code Section 10145 and Regulation 2831.2.

6 (e) Commingled trust funds in T/A #1, by failing to
7 disburse management fees from T/A #1, within the twenty-five days
8 from the deposit of said fees. RWLA's funds in the form of
9 credit report fees were deposited into T/A #1, in violation of
10 Code Section 10145 and Regulation 2835.

11 11.

12 The conduct of Respondent RWLA, described in Paragraph
13 10, violated the Code and the Regulations as set forth below:
14

| 15 <u>PARAGRAPH</u> | <u>PROVISIONS VIOLATED</u> |
|---------------------|--|
| 16 10(a) | Code Section 10145 and 17 Regulation 2832.1 |
| 18 10(b) | Code Section 10145 and 19 Regulation 2831 |
| 20 10(c) | Code Section 10145 and 21 Regulation 2831.1 |
| 22 10(d) | Code Section 10145 and 23 Regulation 2831.2 |
| 24 10(e) | Code Section 10145 and 25 Regulation 2835 26 27 |

1 Each of the foregoing violations separately constitutes cause for
2 the suspension or revocation of the real estate license and
3 license rights of RWLA under the provisions of Code Sections
4 10177(d) and/or 10177(g).

5 12.

6 PRIOR DISCIPLINE
7 (H-24643 LA)

8 On October 27, 1992, in Case No. H-24643 LA, a
9 Stipulation and Agreement In Settlement And Order was adopted
10 that imposed discipline against Respondents RONALD L. WOLFE &
11 ASSOCIATES INC., pursuant to Code Sections 10176(e) and 10177(d)
12 for violations of Code Section 10145 and Regulation 2832.1.
13 Discipline was imposed against RONALD LEIGH WOLFE, individually
14 and as designated officer of Ronald L. Wolfe & Associates Inc.,
15 pursuant to Code Section 10177(h). Effective October 27, 1992,
16 Respondent's licenses were restricted upon terms and conditions
17 including the filing of quarterly Trust Fund Position Statements
18 with the Department.

19 13.

20 PRIOR ACTION
21 (H-24644 LA)

22 On June 18, 1991, in Case No. H-24644 LA, an Order To
23 Desist And Refrain was filed against Respondents RONALD L. WOLFE
24 & ASSOCIATES INC., and RONALD LEIGH WOLFE, individually and as
25 designated officer of Ronald L. Wolfe & Associates Inc., under
26 Code Section 10086 (Engaging in Prohibited Activity, Order to
27

1 Desist and Refrain) for violations of Code Sections 10145 and
2 10176(e) and Regulations 2830, 2831, 2831.1, 2831.2, 2832 and
3 2832.1.

4 14.

5 PRIOR DISCIPLINE
6 (H-26138 LA)

7 On August 22, 1996, in Case No. H-26138 LA, a Decision
8 After Rejection was rendered adopting the findings set forth in
9 the Proposed Decision revised on March 13, 1996, that became
10 effective on September 17, 1996. Said Proposed Decision imposed
11 discipline against Respondent RONALD L. WOLFE & ASSOCIATES INC.,
12 pursuant to Code Sections 10176(e), 10176(g), 10177(d), 10177(g),
13 and 10177(k) for violations of Regulations 2831, 2831.1 and 2832.
14 Discipline was imposed against RONALD LEIGH WOLFE, individually
15 and as designated officer of Ronald L. Wolfe & Associates Inc.,
16 pursuant to Code Sections 10177(d) and 10177(k) for a violation
17 of Regulation 2725. Respondents' licenses were restricted for
18 the second time and were suspended upon terms and conditions
19 including a chargeable audit and a monetary penalty totaling
20 \$20,000.
21

22 SECOND CAUSE OF ACTION
23 (Failure to supervise)

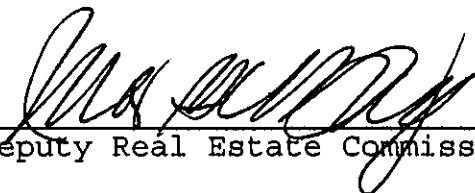
24 15.

25 The overall conduct of Respondent WOLFE constitutes a
26 failure on his part, as officer designated by a corporate broker
27 licensee, to exercise the reasonable supervision and control over

1 the licensed activities of RONALD L. WOLFE & ASSOCIATES INC. as
2 required by Code Section 10159.2, and to keep it in compliance
3 with the Real Estate Law, and is cause for the suspension or
4 revocation of the real estate license and license rights of WOLFE
5 pursuant to the provisions of Code Sections 10159.2 and 10177(h).

6 WHEREFORE, complainant prays that a hearing be
7 conducted on the allegations of this Accusation and, that upon
8 proof thereof, a decision be rendered imposing disciplinary
9 action against all licenses and licensing rights of Respondents
10 RONALD L. WOLFE & ASSOCIATES INC., and RONALD LEIGH WOLFE,
11 individually and as designated officer of Ronald L. Wolfe &
12 Associates Inc., under the Real Estate Law (Part 1 of Division 4
13 of the Business and Professions Code) and for such other and
14 further relief as may be proper under other applicable provisions
15 of law.

16
17 Dated at Los Angeles, California
18 this *8th* day of October 2002.

19
20 
21 Deputy Real Estate Commissioner

22
23 cc: Ronald L. Wolfe & Associates Inc.
24 Ronald Leigh Wolfe
25 Sacto
26 Maria Suarez
27 OD