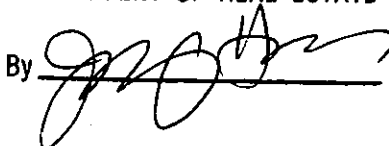


1 Department of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013-1105
4 Telephone: (213) 576-6982

FILED
DEC 09 2004
DEPARTMENT OF REAL ESTATE
By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12)
13 EXCLUSIVE REAL ESTATE CORPORATION) No. H-30732 LA
14 Db a Century 21 Exclusive Realtors,) L-2004030764
15 Century 21 Vic Harvey Realtors,)
16 Exclusive Realtors, Golden Coast)
17 Escrow, Golden Coast Financial)
18 and San Fernando Valley Escrow)
19 and RONALD BURTON KARNO,)
20 individually and as Designated)
21 Officer of Exclusive Real Estate)
22 Corporation, and db a Karno Realty)
23 Company and AZARMIDOKHT KAVEHPOUR,)
24)
25 Respondents.)

STIPULATION
AND AGREEMENT

20 It is hereby stipulated by and between AZARMIDOKHT
21 KAVEHPOUR, (sometimes referred to as Respondent) and her
22 attorney of record, Thomas C. Lasken, Esq, and the Complainant,
23 acting by and through Darlene Averetta, Counsel for the
24 Department of Real Estate, as follows for the purpose of
25 settling and disposing of the Accusation filed on February 26,
26 2004, in this matter:
27

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

8 2. Respondent has received, read and understands the
9 Statement to Respondent, the Discovery Provisions of the APA and
10 the Accusation, filed by the Department of Real Estate in this
11 proceeding.

12 3. On March 8, 2004, Respondent filed a Notice of
13 Defense pursuant to Section 11506 of the Government Code for
14 the purpose of requesting a hearing on the allegations in the
15 Accusation. Respondent hereby freely and voluntarily withdraws
16 said Notice of Defense. Respondent acknowledges that she
17 understands that by withdrawing said Notice of Defense she will
18 thereby waive her right to require the Commissioner to prove
19 the allegations in the Accusation at a contested hearing held
20 in accordance with the provisions of the APA and that she will
21 waive other rights afforded to her in connection with the
22 hearing such as the right to present evidence in defense of
23 the allegations in the Accusation and the right to cross-
24 examine witnesses.
25

26 ///

27 ///

1 4. This Stipulation is based on the factual
2 allegations contained in the Accusation filed in this
3 proceeding. In the interest of expedience and economy,
4 Respondent chooses not to contest these factual allegations,
5 but to remain silent and understands that, as a result thereof,
6 these factual statements, will serve as a prima facie basis for
7 the disciplinary action stipulated to herein. The Real Estate
8 Commissioner shall not be required to provide further evidence
9 to prove such allegations.

10 5. This Stipulation and Respondent's decision not to
11 contest the Accusation are made for the purpose of reaching an
12 agreed disposition of this proceeding and are expressly limited
13 to this proceeding and any other proceeding or case in which the
14 Department of Real Estate ("Department") or another licensing
15 agency of this state, another state or the federal government
16 is involved, and otherwise shall not be admissible in any other
17 criminal or civil proceedings.

18 6. It is understood by the parties that the Real
19 Estate Commissioner may adopt the Stipulation as his decision
20 in this matter thereby imposing the penalty and sanctions on
21 Respondent's real estate licenses and license rights as set
22 forth in the below "Order". In the event that the Commissioner
23 in his discretion does not adopt the Stipulation, the
24 Stipulation shall be void and of no effect, and Respondent shall
25 retain the right to a hearing on the Accusation under all the
26 provisions of the APA and shall not be bound by any stipulation
27

1 or waiver made herein.

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

8 DETERMINATION OF ISSUES

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

13 The conduct, acts and/or omissions of Respondent
14 AZARMIDOKHT KAVEHPOUR, as set forth in the Accusation,
15 constitute cause for the suspension or revocation of all
16 the real estate licenses and license rights of Respondent
17 AZARMIDOKHT KAVEHPOUR, under the provisions of Section
18 10177(j) of the Business and Professions Code.
19

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ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:


I. All licenses and licensing rights of Respondent, AZARMIDOKHT KAVEHPOUR are suspended for sixty (60) days from the effective date of this Decision. Provided, however, that forty-five (45) days of said suspension shall be stayed upon the following terms and conditions:

1. Respondent shall obey all laws, rules and regulations governing the rights, duties and responsibilities of a real estate licensee in the State of California;

2. That no final subsequent determination be made, after hearing or upon stipulation, that cause for disciplinary action occurred within two (2) years of the effective date of the Decision. Should such a determination be made, the Commissioner may, in his discretion, vacate and set aside the stay order and reimpose all or a portion of the stayed suspension. Should no such determination be made, the stay imposed shall become permanent.

II. The initial fifteen (15) days of said sixty (60) day suspension shall commence on the effective date of this Decision.

DATED: November 19, 2004


DARLENE AVERETTA, Counsel
Department of Real Estate

///

///

///

1 * * *

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

14 Respondent can signify acceptance and approval of the
15 terms and conditions of this Stipulation and Agreement by faxing
16 a copy of the signature page, as actually signed by Respondent,
17 to the Department at the following telephone/fax number: (213)
18 576-6917. Respondent agrees, acknowledges and understands that
19 by electronically sending to the Department a fax copy of her
20 actual signature as it appears on the Stipulation and Agreement,
21 that receipt of the faxed copy by the Department shall be as
22 binding on Respondent as if the Department had received the
23 original signed Stipulation and Agreement.
24

25 ///

26 ///

27 ///

1 Further, if the Respondent is represented by counsel,
 2 the Respondent's counsel can signify his or her agreement to
 3 the terms and conditions of the Stipulation and Agreement by
 4 submitting that signature via fax and he will concurrently or
 5 within 24 hours of obtaining Respondent's signature to the
 6 agreement, deposit in the mail the original stipulation
 7 containing the original signatures of both the Respondent and
 8 Respondent's counsel.

9
10 DATED: 11/10/2004

A. Paulson
 AARNDORF KAVENOR
 Respondent

11
12 DATED: 11/12/04

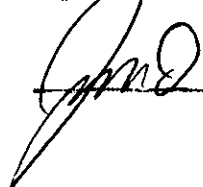
Tom C. Lasken
 THOMAS C. LASKEN
 Counsel for Respondent
 Approved as to Form
 and Content

13 * * *

14
15
16 the foregoing stipulation and agreement is hereby
 17 adopted as my Decision and Order in this matter, and shall
 18 become effective at 12 o'clock noon on December 29, 2004.

19 IT IS SO ORDERED December 3, 2004

20
21 JEFF DAVI
 Real Estate Commissioner

22
23
24
25
26
27


1 Further, if the Respondent is represented by counsel,
2 the Respondent's counsel can signify his or her agreement to
3 the terms and conditions of the Stipulation and Agreement by
4 submitting that signature via fax and he will concurrently or
5 within 24 hours of obtaining Respondent's signature to the
6 agreement, deposit in the mail the original stipulation
7 containing the original signatures of both the Respondent and
8 Respondent's counsel.

9
10 DATED: _____

AZARMIDOKHT KAVEHPOUR
Respondent

11
12 DATED: _____

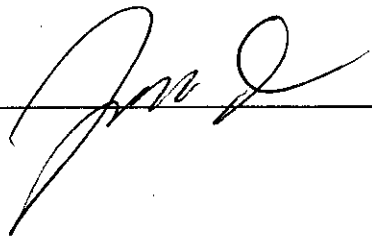
THOMAS C. LASKEN
Counsel for Respondent
Approved as to Form
and Content

13
14
15 * * *

16 The foregoing Stipulation and Agreement is hereby
17 adopted as my Decision and Order in this matter, and shall
18 become effective at 12 o'clock noon on December 29, 2004.

19 IT IS SO ORDERED December 3 2004.

20 JEFF DAVI
21 Real Estate Commissioner

22
23
24
25
26
27


5/27/04

Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013-1105
Telephone: (213) 576-6982

FILED
DEC 09 2004
DEPARTMENT OF REAL ESTATE

By *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	
)	
<u>EXCLUSIVE REAL ESTATE CORPORATION</u>)	No. H-30732 LA
Db a Century 21 Exclusive Realtors,)	L-2004030764
Century 21 Vic Harvey Realtors,)	
Exclusive Realtors, Golden Coast)	
Escrow, Golden Coast Financial)	
and San Fernando Valley Escrow)	<u>STIPULATION</u>
and <u>RONALD BURTON KARNO,</u>)	<u>AND AGREEMENT</u>
individually and as Designated)	
Officer of Exclusive Real Estate)	
Corporation, and dba Karno Realty)	
Company and AZARMIDOKHT KAVEHPOUR,)	
)	
Respondents.)	

It is hereby stipulated by and between EXCLUSIVE REAL ESTATE CORPORATION and RONALD BURTON KARNO, (sometimes referred to as Respondents) and their attorney of record, Thomas C. Lasken, Esq, and the Complainant, acting by and through Darlene Averetta, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on February 26, 2004 and the Supplemental Accusation filed

1 on July 7, 2004, in this matter:

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

9 2. Respondents have received, read and understand
10 the Statement to Respondent, the Discovery Provisions of the APA
11 and the Accusations, filed by the Department of Real Estate in
12 this proceeding.

13 3. On March 8, 2004, Respondents filed a Notice of
14 Defense pursuant to Section 11506 of the Government Code for
15 the purpose of requesting a hearing on the allegations in the
16 Accusation's Respondents hereby freely and voluntarily
17 withdraw said Notices of Defense. Respondent acknowledges that
18 they understand that by withdrawing said Notices of Defense
19 they will thereby waive their right to require the Commissioner
20 to prove the allegations in the Accusations at a contested
21 hearing held in accordance with the provisions of the APA and
22 that they will waive other rights afforded to them in
23 connection with the hearing such as the right to present
24 evidence in defense of the allegations in the Accusations and
25 the right to cross-examine witnesses.
26

27 ///

1 4. This Stipulation is based on the factual
2 allegations contained in the Accusations filed in this
3 proceeding. In the interest of expedience and economy,
4 Respondents choose not to contest these factual allegations,
5 but to remain silent and understands that, as a result thereof,
6 these factual statements, will serve as a prima facie basis for
7 the disciplinary action stipulated to herein. The Real Estate
8 Commissioner shall not be required to provide further evidence
9 to prove such allegations.

10 5. This Stipulation and Respondents' decision not to
11 contest the Accusations are made for the purpose of reaching an
12 agreed disposition of this proceeding and are expressly limited
13 to this proceeding and any other proceeding or case in which the
14 Department of Real Estate ("Department") or another licensing
15 agency of this state, another state or the federal government
16 is involved, and otherwise shall not be admissible in any other
17 criminal or civil proceedings.

18 6. It is understood by the parties that the Real
19 Estate Commissioner may adopt the Stipulation as his decision
20 in this matter thereby imposing the penalty and sanctions on
21 Respondent's real estate licenses and license rights as set
22 forth in the below "Order". In the event that the Commissioner
23 in his discretion does not adopt the Stipulation, the
24 Stipulation shall be void and of no effect, and Respondent shall
25 retain the right to a hearing on the Accusations under all the
26 provisions of the APA and shall not be bound by any stipulation
27

or waiver made herein.

1
2 7. The Order or any subsequent Order of the Real
3 Estate Commissioner made pursuant to this Stipulation shall
4 not constitute an estoppel, merger or bar to any further
5 administrative or civil proceedings by the Department of Real
6 Estate with respect to any conduct which was not specifically
7 alleged to be causes for accusation in this proceeding.

8 DETERMINATION OF ISSUES

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

13 I

14 The conduct, acts and/or omissions of Respondent
15 EXCLUSIVE REAL ESTATE CORPORATION, as set forth in the
16 Accusations, constitute cause for the suspension or revocation
17 of all the real estate licenses and license rights of Respondent
18 EXCLUSIVE REAL ESTATE CORPORATION, under the provisions of
19 Sections 10177(d) and 10177(g) of the Business and Professions
20 Code ("Code") for violations of Code Section 10145 and Sections
21 2831, 2831.1, 2831.2, 2832 and 2832.2 of Title 10, Chapter 6,
22 California Code of Regulations ("Regulations").
23

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II

1
2 The conduct, acts and/or omissions of Respondent
3 RONALD BURTON KARNO, as set forth in the Accusations, constitute
4 cause for the suspension or revocation of all the real estate
5 licenses and license rights of Respondent RONALD BURTON KARNO,
6 under the provisions of Code Sections 10177(d), 10177(g) and
7 10177(h) for violations of Code Sections 10145 and 10159.2,
8 and Regulation 2834.

9
10 ORDER

11 WHEREFORE, THE FOLLOWING ORDER is hereby made:

12 I. All licenses and licensing rights of Respondent,
13 EXCLUSIVE REAL ESTATE CORPORATION under the Real Estate Law are
14 revoked; provided, however, a restricted real estate broker
15 license shall be issued to Respondent EXCLUSIVE REAL ESTATE
16 CORPORATION pursuant to Section 10156.5 of the Business and
17 Professions Code if:

18 1. Respondent makes application therefor and pays
19 to the Department of Real Estate ("Department") the appropriate
20 fee for the restricted license within ninety (90) days from the
21 effective date of this Decision.

22 2. Respondent provides proof satisfactory to the Real
23 Estate Commissioner, prior to issuance of a restricted real
24 estate broker license, that (a) the trust fund shortages set
25 forth in the Accusation have been cured, (b) Respondent
26 discloses the source of the funds used to cure the trust fund
27 shortage.

The restricted license issued to Respondent EXCLUSIVE

1 REAL ESTATE CORPORATION shall be subject to all of the
2 provisions of Section 10156.7 of the Business and Professions
3 Code and to the following limitations, conditions and
4 restrictions imposed under authority of Section 10156.6 of that
5 Code:
6

7 1. The restricted license issued to Respondent may
8 be suspended prior to hearing by Order of the Real Estate
9 Commissioner in the event of Respondent's conviction or plea
10 of nolo contendere to a crime which is substantially related
11 to Respondent's fitness or capacity as a real estate licensee.
12

13 2. The restricted license issued to Respondent may
14 be suspended prior to hearing by Order of the Real Estate
15 Commissioner on evidence satisfactory to the Commissioner that
16 Respondent has violated provisions of the California Real Estate
17 Law, the Subdivided Lands Law, or Regulations of the Real Estate
18 Commissioner or conditions attaching to the restricted license.
19

20 3. Respondent shall not be eligible to apply for the
21 issuance of an unrestricted real estate license nor for the
22 removal of any of the conditions, limitations or restrictions
23 of a restricted license until two (2) years has elapsed from the
24 effective date of this Decision.

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///

1 4. Pursuant to Paragraph III, below, the Department
2 may conduct a subsequent audit to determine if Respondents are
3 in compliance with the Real Estate Law during the past three (3)
4 years. For said audit, Respondent must provide all records
5 requested by the Department to review, inspect and copy.

6 II. All licenses and licensing rights of Respondent,
7 RONALD BURTON KARNO under the Real Estate Law are revoked;
8 provided, however, a restricted real estate broker license shall
9 be issued to Respondent RONALD BURTON KARNO pursuant to Section
10 10156.5 of the Business and Professions Code if:

11 1. Respondent makes application therefor and pays
12 to the Department of Real Estate ("Department") the appropriate
13 fee for the restricted license within ninety (90) days from the
14 effective date of this Decision.

15 2. Respondent provides proof satisfactory to the Real
16 Estate Commissioner, prior to issuance of a restricted real
17 estate broker license, that (a) the trust fund shortages set
18 forth in the Accusation have been cured, (b) Respondent
19 discloses the source of the funds used to cure the trust fund
20 shortage.

21 3. Respond shall, prior to and as a condition of
22 issuance of the restricted license, submit proof satisfactory to
23 the Commissioner of having taken and successfully completed the
24 continuing education course on trust fund accounting and
25 handling specified in subdivision (a) of Section 10170.5 of the
26 Business and Profession Code. Proof of satisfaction of this
27

1 requirement includes evidence that Respondent has successfully
2 completed the trust fund account and handling continuing
3 education course within one hundred and twenty (120) days prior
4 to the effective date of the Decision in this matter.

5 The restricted license issued to Respondent RONALD
6 BURTON KARNO shall be subject to all of the provisions of
7 Section 10156.7 of the Business and Professions Code and to the
8 following limitations, conditions and restrictions imposed under
9 authority of Section 10156.6 of that Code:

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

15 2. The restricted license issued to Respondent may
16 be suspended prior to hearing by Order of the Real Estate
17 Commissioner on evidence satisfactory to the Commissioner that
18 Respondent has violated provisions of the California Real Estate
19 Law, the Subdivided Lands Law, or Regulations of the Real Estate
20 Commissioner or conditions attaching to the restricted license.

21 3. Respondent shall not be eligible to apply for the
22 issuance of an unrestricted real estate license nor for the
23 removal of any of the conditions, limitations or restrictions
24 of a restricted license until two (2) years has elapsed from the
25 effective date of this Decision.
26
27

1 4. Pursuant to Paragraph III, below, the Department
2 may conduct a subsequent audit to determine if Respondents are
3 in compliance with the Real Estate Law during the past three (3)
4 years. For said audit, Respondent must provide all records
5 requested by the Department to review, inspect and copy.

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

18 6. Respondent shall, within six (6) months from the
19 effective date of this Decision, take and pass the Professional
20 Responsibility Examination administered by the Department
21 including the payment of the appropriate examination fee. If
22 Respondent fails to satisfy this condition, the Commissioner may
23 order suspension of Respondent's license until Respondent passes
24 the examination.
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1 III. Pursuant to Section 10148 of the Business and

2 Professions Code, Respondents EXCLUSIVE REAL ESTATE CORPORATION
3 and RONALD BURTON KARNO (joint and several liability) shall pay
4 the Commissioner's reasonable costs for (a) the audits which led
5 to this disciplinary action and, (b) a subsequent audit to
6 determine if Respondents are in compliance with the Real Estate
7 Law. In calculating the amount of the Commissioner's reasonable
8 cost, the Commissioner may use the estimated average hourly
9 salary for all persons performing audits of real estate brokers
10 and shall include an allocation for travel time to and from the
11 auditor's place of work. The cost of the audits which led to
12 this disciplinary action are \$ 20,762.66. The Commissioner's
13 reasonable costs for a subsequent audit shall in no event exceed
14 \$ 20,762.66.

15 Respondents shall pay such cost within sixty (60) days
16 of receiving an invoice from the Commissioner detailing the
17 activities performed during the audit and the amount of time
18 spent performing those activities. The Commissioner may suspend
19 the restricted licenses issued to Respondents pending a hearing
20 held in accordance with Section 11500, et seq., of the
21 Government Code, if payment is not timely made as provided for
22 herein, or as provided for in a subsequent agreement between
23 Respondents and Commissioner. The suspension shall remain in
24 effect until payment is made in full or until Respondents enter
25 into an agreement satisfactory to the Commissioner to provide
26
27

1 for such payment, or until a decision providing otherwise is
2 adopted following a hearing held pursuant to this condition.

3 DATED: November 19, 2004


4 DARLENE AVERETTA, Counsel
5 Department of Real Estate

6 * * *


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

18 Respondents can signify acceptance and approval of the
19 terms and conditions of this Stipulation and Agreement by faxing
20 a copy of the signature page, as actually signed by Respondents,
21 to the Department at the following telephone/fax number: (213)
22 576-6917. Respondents agree, acknowledge and understand that by
23 electronically sending to the Department a fax copy of their
24 actual signature as it appears on the Stipulation and Agreement,
25 that receipt of the faxed copy by the Department shall be as
26


1 binding on Respondents as if the Department had received the
2 original signed Stipulation and Agreement.

3 Further, if the Respondents are represented by
4 counsel, the Respondents' counsel can signify his or her
5 agreement to the terms and conditions of the Stipulation and
6 Agreement by submitting that signature via fax and he will
7 concurrently or within 24 hours of obtaining Respondents'
8 signature to the agreement, deposit in the mail the original
9 stipulation containing the original signatures of both the
10 Respondents and Respondents' counsel.

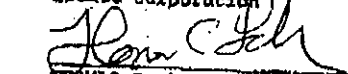
11 DATED: 11/12/04


RONALD BURTON KARNO
CORPORATION, Respondent
by Ronald Burton Karno
designated broker-officer
of Exclusive Real Estate
Corporation

12 DATED: 11/12/04


RONALD BURTON KARNO,
Respondent, individually
and as designated broker-
officer of Exclusive Real
Estate Corporation

13 DATED: 11/12/04


THOMAS C. LASKEN
counsel for Respondent
Approved as to Form
and Content.

* * *

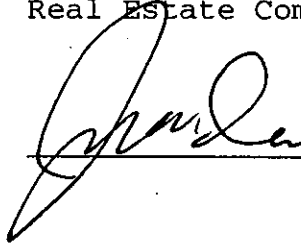
1
2 The foregoing Stipulation and Agreement is hereby
3 adopted as my Decision and Order in this matter, and shall
4 become effective at 12 o'clock noon on December 29, 2004.

5 IT IS SO ORDERED

December 8 2004

6 JEFF DAVI
7 Real Estate Commissioner

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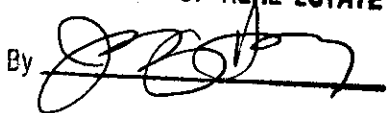
BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of)
)
EXCLUSIVE REAL ESTATE CORPORATION,)
dba Century 21 Exclusive Realtors)
Century 21 Vic Harvey Realtors,)
Exclusive Realtors, Golden Coast)
Escrow, Golden Coast Financial)
and San Fernando Valley Escrow and)
RONALD BURTON KARNO, individually)
and as Designated Officer of)
Exclusive Real Estate Corporation)
and dba Karno Realty Company and)
AZARMIDOKHT KAVEHPOUR,)

Case No. **H-30732 LA**

OAH No. L-2004030764

FILED
JUL 14 2004
DEPARTMENT OF REAL ESTATE
By 

Respondents.

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, Suite 630, Los Angeles, CA 90013-1105 on **NOVEMBER 15, 2004 through NOVEMBER 19, 2004**, 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: July 14, 2004

By


DARLENE AVERETTA
Assistant Chief Counsel

cc: Exclusive Real Estate Corporation
Ronald Burton Karno
Azarmidokht Kavehpour
Steven D. Spile, Esq.
Thomas C. Lasken, Esq.
Sacto.
OAH

RE 501 (Rev. 8/97)

*Media
files*

1 DARLENE AVERETTA, Counsel (SBN 159969)
2 Department of Real Estate
3 320 West 4th Street, Suite 350
4 Los Angeles, CA 90013-1105
5 Telephone (213) 576-6982
6 -Direct- (213) 576-6904

FILED
JUL -7 2004
DEPARTMENT OF REAL ESTATE

By K. Kriederholt

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	No. H-30732 LA
12	EXCLUSIVE REAL ESTATE CORPORATION)	<u>SUPPLEMENTAL</u>
13	Dbas Century 21 Exclusive Realtors)	<u>ACCUSATION</u>
14	Century 21 Vic Harvey Realtors,)	
15	Exclusive Realtors, Golden Coast)	
16	Escrow, Golden Coast Financial)	
17	and San Fernando Valley Escrow an)	
18	RONALD BURTON KARNO, individually)	
19	and as Designated Officer of)	
20	Exclusive Real Estate Corporation)	
21	and dba Karno Realty Company)	
22	and AZARMIDOKHT KAVEHPOUR,)	
23)	
24	Respondents.)	

25 This Accusation supplements the Accusation filed herein
26 on February 26, 2004.

27 The Complainant, Maria Suarez, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against EXCLUSIVE REAL ESTATE CORPORATION (Respondent "EREC")
dba Century 21 Exclusive Realtors, Century 21 Vic Harvey Realtors,
Exclusive Realtors, Golden Coast Escrow, Golden Coast Financial
and San Fernando Valley Escrow and RONALD BURTON KARNO
(Respondent "KARNO"), individually and as Designated Officer of

1 Exclusive Real Estate Corporation, is informed and alleges as
2 follows:

3 17.

4 The Complainant, Maria Suarez, a Deputy Real Estate
5 Commissioner, makes this Accusation in her official capacity.

6 FOURTH CAUSE OF ACCUSATION
7 (AUDIT)

8 18.

9 On or about January 30, 2004, Department Auditor Vaughn
10 Weaver completed Audits examination of Respondent EREC's books
11 and records. The Audits numbered LA 030145, LA 030165 and
12 LA 030166 were to determine whether EREC handled trust funds in
13 compliance with the Real Estate Law and the Commissioner's
14 Regulations.

15 19.

16 At all times material herein, Respondent EREC engaged
17 in the business of, acted in the capacity of, advertised or
18 assumed to act as real estate broker in the State of California,
19 within the meaning of Sections 10131(a) and 10131(d) of the Code.

20 Said activity included the selling or offering to sell,
21 buying or offering to buy, soliciting prospective sellers or
22 purchasers of, soliciting or obtaining listings of, negotiating
23 the purchase, sale or exchange of real property or business
24 opportunities.
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1 Said activities also included, the operation of and
2 conduct of a mortgage loan brokerage with the public wherein
3 Respondents solicited prospective borrowers, lenders or investors
4 for, and/or negotiated or arranged loans secured by a lien on
5 real property for another or others, for or in expectation of
6 compensation.

7 In addition, Respondent acted pursuant to the exemption
8 of Financial Code Section 17004(a)(4).

9 20.

10 Respondent's EREC and KARNO maintained five (5) trust
11 accounts as of October 21, 2003 as follows: No. 1891609339 (T/A
12 1) at Comerica Bank; No. 1891612473 (T/A 2) at Comerica Bank;
13 No. 18916913117 (T/A 3) at Comerica Bank; and 1891612465 (T/A 4)
14 at Comerica Bank; and No. 04291-06111 (T/A5) at Bank of America.

15 21.

16 Said audit examinations covered the period from
17 November 19, 2003 to January 8, 2004, and revealed violations
18 of the Code and of Title 10, Chapter 6, California Code of
19 Regulations ("Regulations") as set forth below and as set forth
20 more specifically in audit reports LA 030145, LA 030165 and
21 LA 030166 and the exhibits attached to said audit reports.

22 22.

23 In the course of activities described above in
24 Paragraphs 19 and 20, Respondents EREC and KARNO acted in
25 violation of the Code and the Regulations in that:

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1 (a) Respondents caused, permitted and/or allowed, the
2 withdrawal or disbursement of trust funds from the Trust
3 Accounts, thereby reducing the account balance in the Trust
4 Accounts as of October 31, 2003, to an amount less than the
5 aggregate trust fund liability to all owners of the trust funds
6 without prior written consent of every principal who then was an
7 owner of funds in the account, in violation of Code Section 10145
8 and Regulation 2832.1.

9 As of October 31, 2003, there was a combined shortage
10 in the Trust Accounts of \$18,301.30. (There was a shortage in
11 T/A 1 of \$866.63, in T/A 2 of \$1,004.98 and in T/A 3 of
12 \$16,249.69.

13 As of September 30, 2003, there was a combined shortage
14 in the Trust Accounts of \$131,186.72. (There was a shortage in
15 T/A 1 of \$74,419.22, in T/A 2 of \$29,675.42, in T/A 3 of
16 \$25,736.34 and in T/A 4 of \$1,355.74.

17 (b) Trust funds were commingled with EREC funds in the
18 General Account and trust funds were converted by EREC and KARNO.
19 These funds included but were not limited to, funds that were
20 deducted from sellers proceeds for the City of Los Angeles and
21 the Los Angeles Department of Water and Power. However, the
22 funds were not remitted to these entities as required;

23 (c) In violation of Section 10145 and Regulation 2831,
24 Respondent EREC failed to maintain a complete and accurate
25 control record of trust funds for the Trust Accounts, there was
26 no control record for trust funds deposited into and disbursed
27 from the General Account, and not all earnest money deposits

1 received from buyers were recorded and/or accurately on the
2 control record for trust funds received but not deposited into a
3 trust account;

4 (d) In violation of Section 10145 and Regulation
5 2831.1, the separate records for T/A 1, T/A 2, T/A 3 and T/A 4,
6 were not always complete or accurate, there were no separate
7 records for T/A 5 and there were no separate records for the
8 trust funds deposited into and disbursed from the General
9 Account;

10 (e) In violation of Section 10145 and Regulation
11 2831.2, the reconciliation's for T/A 1, T/A2, T/A 3 and T/A 4,
12 reconciling the control record balances with the separate record
13 balances, monthly, for the periods ending September 30, 2003 and
14 October 31, 2003, were not accurate.

15 (f) In violation of Section 10145 and Regulation 2832,
16 T/A 3 was not designated as a trust account on the Bank Signature
17 Card, and not all escrow trust funds received from buyers were
18 deposited into T/A2, T/A 3 and T/A 4 by the next business day;

19 (g) In violation of Section 10145 and Regulation 2834,
20 there was no written authorization from KARNO for the signatories
21 on the Trust Accounts to sign on the trust accounts;

22 (h) In violation of Section 10148 Respondents EREC and
23 KARNO, failed to make all requested books and records available
24 for examination, inspection and copying, after service of a
25 subpoena duces tecum requesting production of specified books and
26 records.

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23.

1 The conduct, acts and/or omissions of Respondents EREC
2 and KARNO, as described above in Paragraph 10 are in violation
3 of Regulations 2831, 2831.1, 2831.2, 2832, 2832.1, 2834 and Code
4 Sections 10145 and 10148 and constitute cause for the suspension
5 or revocation of Respondents' real estate licenses and license
6 rights under the provisions of Code Sections 10176(e), 10176(i)
7 10177(d) and/or 10177(g).

8
9 FIFTH CAUSE OF ACCUSATION
10 (FAILURE OF CORPORATE BROKER TO SUPERVISE AND CONTROL ACTIVITIES)

11 24.

12 The conduct, acts and/or omissions of Respondent KARNO,
13 in failing to secure the full compliance with the Real Estate Law
14 by EREC as alleged above in Paragraphs 22 and 23, are in
15 violation of Section 10159.2 of the Code.

16 25.

17 The conduct, acts and/or omissions of Respondent KARNO,
18 constitute cause under Sections 10177(d), 10177(g) and/or
19 10177(h) of the Code for the suspension or revocation of his real
20 estate license and/or license rights.

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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof a decision be rendered imposing disciplinary action
4 against all licenses and license rights of Respondents EXCLUSIVE
5 REAL ESTAE CORPORATION and RONALD BURTON KARNO under the Real
6 Estate Law (Part 1 of Division 4 of the Business and Professions
7 Code) and for such other and further relief as may be proper
8 under other provisions of law.

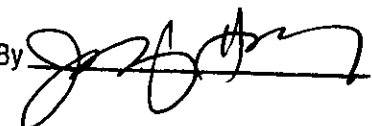
9 Dated at Los Angeles, California,

10 
11 MARIA SUAREZ
12 Deputy Real Estate Commissioner

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24 cc: Exclusive Real Estate Corporation
25 Ronald Burton Karno
26 Maria Suarez
27 SACTO
RJ

SBN 175887

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FILED
FEB 26 2004
DEPARTMENT OF REAL ESTATE
By 

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) No. H-30732 LA
EXCLUSIVE REAL ESTATE CORPORATION) ACCUSATION
dba Century 21 Exclusive Realtors)
Century 21 Vic Harvey Realtors,)
Exclusive Realtors, Golden Coast)
Escrow, Golden Coast Financial)
and San Fernando Valley Escrow and)
RONALD BURTON KARNO, individually,)
and as Designated Officer of)
Exclusive Real Estate Corporation)
and dba Karno Realty Company)
and AZARMIDOKHT KAVEHPOUR,)
Respondents.)

The Complainant, Janice Waddell, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against EXCLUSIVE REAL ESTATE CORPORATION (Respondent "EREC") dba
Century 21 Exclusive Realtors, Century 21 Vic Harvey Realtors,
Exclusive Realtors, Golden Coast Escrow, Golden Coast Financial
and San Fernando Valley Escrow and RONALD BURTON KARNO
(Respondent "KARNO"), individually and as Designated Officer of

1 Exclusive Real Estate Corporation and AZARMIDOKHT KAVEHPOUR
2 (Respondent "KAVEHPOUR") is informed and alleges as follows:

3 1.

4 The Complainant, Janice Waddell, a Deputy Real Estate
5 Commissioner, makes this Accusation in her official capacity.

6 2.

7 Respondent EREC, dba Century 21 Exclusive Realtors,
8 Century 21 Vic Harvey Realtors, Exclusive Realtors, Golden Coast
9 Escrow, Golden Coast Financial and San Fernando Valley Escrow and
10 Respondent KARNO, individually and as Designated Officer of
11 Exclusive Real Estate Corporation and dba Karno Realty Company
12 and Respondent KAVEHPOUR, sometimes referred to collectively as
13 "Respondents," are presently licensed and/or have license rights
14 under California Real Estate Law, Part 1 of Division 4 of the
15 California Business and Professions Code ("Code").
16

17 3.

18 At all times material herein, EREC was, and currently
19 is, licensed by the Department of Real Estate of the State of
20 California ("Department") as a corporate real estate broker.
21 Respondent EREC is licensed as a corporate real estate broker
22 through KARNO as the designated officer and broker responsible.

23 4.

24 At all times mentioned herein, KARNO was licensed by
25 the Department, individually, as a real estate broker. As the
26 designated broker-officer for EREC, KARNO was responsible,
27 pursuant to the provisions of Code Section 10159.2, for the

1 supervision and control of the activities requiring a real estate
2 license conducted on behalf of EREC, by their officers, agents
3 and employees as necessary to secure full compliance with the
4 provisions of the Real Estate Law.

5 5.

6 KAVEHPOUR, is licensed or has license rights with the
7 Department as a real estate salesperson under the Real Estate Law
8 (Part 1 of Division 4 of the Code).

9 6.

10 All further references to "Respondents," unless
11 otherwise specified, include the parties identified in Paragraphs
12 2 through 5, above, and also include the officer, directors,
13 managers, employees, agents and real estate licensees employed by
14 or associated with said parties, who at all times herein
15 mentioned were engaged in the furtherance of the business or
16 operations of said parties and who were acting within the course
17 and scope of their authority, agency or employment.

18
19 FIRST CAUSE OF ACCUSATION
(AUDIT VIOLATIONS)

20 7.

21 At all times material herein, Respondent EREC engaged
22 in the business of, acted in the capacity of, advertised or
23 assumed to act as real estate broker in the State of California,
24 within the meaning of Section 10131(a) of the Code. Said
25 activity included the selling or offering to sell, buying or
26 offering to buy, soliciting prospective sellers or purchasers of,
27

1 soliciting or obtaining listings of, negotiating the purchase,
2 sale or exchange of real property or business opportunities.
3 In addition, Respondent acted pursuant to the exemption of
4 Financial Code Section 17004(a)(4).

5 8.

6 Respondent EREC and KARN0 maintained four trust
7 accounts at Comerica Bank as follows: No. 1891609339 (T/A1),
8 No. 18916913117 (T/A2), No. 1891612473 (T/A3) and 1891612465 (T/A
9 4).

10 9.

11 On or about January 15, 2003, Department Auditor
12 Manijeh Khazrai completed Audits numbered LA010513, LA020153 and
13 LA020154 to determine whether EREC was in compliance with the
14 Real Estate Law and the Commissioner's Regulations.
15 Specifically, the audits were to determine whether trust funds
16 were handled properly.

17 10.

18 Said audits covered the period from July 1, 2001 to
19 September 30, 2002, which examination revealed violations of the
20 Code and of Title 10, Chapter 6, California Code of Regulations
21 ("Regulations") as set forth below and as set forth more
22 specifically in audit reports LA010513, LA020153 and LA020154 and
23 the exhibits attached to said audit reports.

24 11.

25 In the course of activities described above in
26 Paragraphs 7 and 8 Respondent EREC acted in violation of
27 Code and the Regulations in that:

1 (a) In violation of Section 10145 and Regulation 2831,
2 Respondent EREC failed to maintain a proper record of trust funds
3 received;

4 (b) In violation of Section 10145 and Regulation 2832,
5 Respondent EREC held earnest money deposits for a period of
6 longer than three business days following the acceptance of an
7 offer to purchase real property without written authorization
8 from the principals;

9 (c) In violation of Section 10176(g), Respondent EREC
10 received earnings credits to its escrow account without
11 disclosing the same to clients, thus receiving secret or
12 undisclosed compensation;

13 (d) In violation of Regulation 2950(h) Respondent EREC
14 failed to disclose in writing to all borrowers that EREC had
15 an ownership interest in the agency conducting escrows;

16 (e) In violation of Section 10159.5 and Regulation 2731,
17 Respondent EREC used the fictitious business names of "C21
18 Exclusive," "Century 21 Exclusive," and "C-21 Exclusive Realtors"
19 in certain transactions without first obtaining a license from
20 the Department to do so;

21 (f) In violation of Section 10236.4(b), Respondent EREC
22 failed to disclose the DRE license information telephone number
23 on Mortgage Loan Disclosure Statements provided to some
24 borrowers;

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27 ///

1 (g) In violation of Section 10161.8 and Regulation 2752,
2 Respondent EREC failed to notify the Department of the employment
3 of 16 salespersons and the termination of 6 others in a timely
4 manner;

5 (h) In violation of Section 10160 and 2752, Respondent EREC
6 failed to have possession of and maintain the license of several
7 salespersons.

8 12.

9 The conduct, acts and/or omissions of Respondent EREC,
10 as described above in Paragraph 11 are in violation of
11 Regulations 2731, 2752, 2831, 2832, 2950(h) and Code Sections
12 10145, 10159.5, 10160, 10161.8, 10176(g) and 10236.4(b) and
13 constitute cause for the suspension or revocation of Respondents'
14 real estate licenses and license rights under the provisions of
15 Code Sections 10176(g) 10177(d) and/or 10177(g).

16
17 SECOND CAUSE OF ACCUSATION
(DISHONEST DEALING)

18 13.

19 During March of 2001, Respondent KAVEHPOUR
20 misrepresented a buyer's ability to purchase real property listed
21 for sale located at 6550-5 Tampa Blvd., Reseda, California. Said
22 property was owned by Marc Fink. On or about April 23, 2001
23 Respondent KAVEHPOUR caused the seller to be informed that the
24 buyer had obtained loan approval to purchase said property. This
25 was not true.

26 ///

14.

The conduct, acts and/or omissions of Respondent KAVEHPOUR, as described above in Paragraph 13 constitutes cause under Section 10177(j) of the Code for the suspension or revocation of her real estate license and/or license rights.

THIRD CAUSE OF ACTION
(FAILURE OF CORPORATE BROKER TO SUPERVISE AND CONTROL ACTIVITIES)

15.

Respondent KARNO, as the officer designated by Respondent EREC pursuant to Section 10211 of the Code, was responsible for the supervision and control of the activities conducted on behalf of Respondent EREC by its officers and employees as necessary to secure full compliance with Real Estate Law as set forth in Section 10159.2 of the Code. Respondent KARNO failed to comply with Section 10159.2 of the Code by allowing Respondent EREC to violate the Real Estate Law as set forth in Paragraphs 11 and 12.

16.

Said conduct, acts and/or omissions of Respondent KARNO, constitute cause under Sections 10177(d), 10177(g) and/or 10177(h) of the Code for the suspension or revocation of her real estate license and/or license rights.

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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof a decision be rendered imposing disciplinary action
4 against all licenses and license rights of Respondents EXCLUSIVE
5 REAL ESTAE CORPORATION, RONALD BURTON KARNO and AZARMIDOKHT
6 KAVEHPOUR under the Real Estate Law (Part 1 of Division 4 of the
7 Business and Professions Code) and for such other and further
8 relief as may be proper under other provisions of law.

9 Dated at Los Angeles, California,
10 this 26th day of February, 2004.

11 
12 JANICE WADDELL,
13 Deputy Real Estate Commissioner

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17 cc: Exclusive Real Estate Corporation
18 Ronald Burton Karno
19 Azarmidokht Kavehpour
20 Janice Waddell
21 Maria Suarez
22 SACTO
23 RJ
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