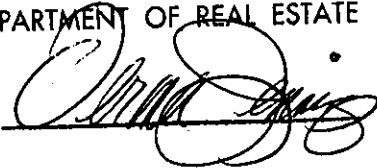


4000.
Ray

FILED
SEP 10 2007
DEPARTMENT OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) No. H-31269 LA
NORMNIX, INC.;)
and KENNETH RAY NORMAN,)
individually and as designated)
officer of Normnix, Inc.,)
Respondents.)

ORDER SUSPENDING RESTRICTED REAL ESTATE LICENSE

To: NORMNIX, INC. and
KENNETH RAY NORMAN, Respondents.

On July 11, 2005, a restricted real estate broker license was issued by the Department of Real Estate to Respondents on the terms, conditions and restrictions, as set forth in the Real Estate Commissioner's Decision of June 2, 2005, in Case No. H-31269 LA, effective July 11, 2005. This Decision granted Respondents the right to the issuance of restricted real estate broker licenses subject to the provisions of Section 10156.7 of the Business and Professions Code and to enumerated

1 additional terms, conditions and restrictions imposed under
2 authority of Section 10156.6 of said Code. Among those terms,
3 conditions and restrictions, Respondents were required to pay for
4 the cost of the audit which led to this matter, and a subsequent
5 audit to determine if the violations which led to the
6 disciplinary action have been corrected within 60 days of
7 receiving an invoice from the Commissioner. The Commissioner has
8 determined that as of June 28, 2007, Respondents have failed to
9 satisfy this condition and, as such, are in violation of Section
10 10177(k) of the Business and Professions Code. Respondents have
11 no right to renew the restricted license if this condition is not
12 satisfied by the date of its expiration (Section 10156.7 of the
13 Business and Professions Code).

14 NOW, THEREFORE, IT IS ORDERED under authority of
15 Section 10156.7 of the Business and Professions Code of the State
16 of California that the restricted real estate broker licenses
17 heretofore issued to Respondents and the exercise of any
18 privileges thereunder are hereby suspended until such time as
19 Respondents provide proof satisfactory to the Department of
20 having paid for the audits referred to above or pending final
21 determination made after hearing (see "Hearing Rights" set forth
22 below).

23 ///

24 ///

25 ///

26 ///

1 IT IS FURTHER ORDERED that all license certificates and
2 identification cards issued by the Department of Real Estate
3 which are in the possession of Respondents be immediately
4 surrendered by personal delivery or by mailing in the enclosed
5 self-addressed envelope to:

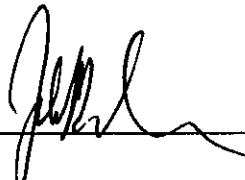
6 DEPARTMENT OF REAL ESTATE
7 Attention: Flag Section
8 Post Office Box 187000
9 Sacramento, CA 95818-7000

10 HEARING RIGHTS: Pursuant to the provisions of Section
11 10156.7 of the Business and Professions Code, you have the right
12 to a hearing to contest the Commissioner's determination that you
13 are in violation of Section 10177(k). If you desire a hearing,
14 you must submit a written request. The request may be in any
15 form as long as it is in writing and indicates that you want a
16 hearing. Unless a written request for a hearing, signed by or on
17 behalf of you, is delivered or mailed to the Department at 320
18 West Fourth Street, Suite 350, Los Angeles, California 90013,
19 within 20 days after the date that this Order was mailed to or
20 served on you, the Department will not be obligated or required
21 to provide you with a hearing.

22 This Order shall be effective immediately.

23 DATED: 8-30, 2007.

24 JEFF DAVI
25 Real Estate Commissioner

26 
27

FILED
MAY 12 2006

DEPARTMENT OF REAL ESTATE

By

BEFORE THE DEPARTMENT OF REAL ESTATE.

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

NO. H-31269 LA

KENNETH RAY NORMAN,

Respondent.

ORDER SUSPENDING RESTRICTED REAL ESTATE LICENSE

TO: NAME: KENNETH RAY NORMAN

On July 11, 2005, respondent's real estate broker license was revoked with the right to a restricted license.

On the same date, a restricted real estate broker license was issued by the Department of Real Estate to respondent on the terms, conditions and restrictions set forth in the Real Estate Commissioner's Decision, in case No. H-31269 LA. This Order granted Respondent the right to the issuance of a restricted real estate broker license subject to the provisions of Section 10156.7 of the Business and Professions

1 Code and to enumerated additional terms, conditions and
2 restrictions imposed under authority of Section 10156.6 of
3 said Code. Among those terms, conditions and restrictions,
4 Respondent was required to take and pass the Professional
5 Responsibility Examination administered by the Department
6 within six (6) months from July 11, 2005. The Commissioner
7 has determined that as of January 11, 2006, Respondent has
8 failed to satisfy these conditions; and as such, is in
9 violation of Section 10177(k) of the Business and Professions
10 Code. Respondent has no right to renew the restricted license
11 if this condition is not satisfied by the date of its
12 expiration (Section 10156.7 of the Business and Professions
13 Code).

14
15 NOW, THEREFORE, IT IS ORDERED under authority of
16 Section 10156.7 of the Business and Professions Code of the
17 State of California that the restricted real estate broker
18 license heretofore issued to respondent and the exercise of
19 any privileges thereunder is hereby suspended until such time
20 as Respondent provides proof satisfactory to the Department of
21 having taken and passed the Professional Responsibility
22 Examination administered by the Department, as referred to
23 above, or pending final determination made after hearing (see
24 "Hearing Rights" set forth below).

25 ///

26 ///

27

1 IT IS FURTHER ORDERED that all license certificates
2 and identification cards issued by Department which are in the
3 possession of respondent be immediately surrendered by
4 personal delivery or by mailing in the enclosed, self-
5 addressed envelope to:

6 Department of Real Estate
7 Attn: Flag Section
8 P. O. Box 187000
9 Sacramento, CA 95818-7000

10 HEARING RIGHTS: Pursuant to the provisions of
11 Section 10156.7 of the Business and Professions Code, you have
12 the right to a hearing to contest the Commissioner's
13 determination that you are in violation of Section 10177(k).
14 If you desire a hearing, you must submit a written request.
15 The request may be in any form, as long as it is in writing
16 and indicates that you want a hearing. Unless a written
17 request for a hearing, signed by or on behalf of you, is
18 delivered or mailed to the Department at 320 West Fourth
19 Street, Suite 350, Los Angeles, California, within 20 days
20 after the date that this Order was mailed to or served on you,
21 the Department will not be obligated or required to provide
22 you with a hearing.

23 This Order shall be effective immediately.

24 DATED: 5-9- 2006

25 JEFF DAVIS
26 Real Estate Commissioner
27 

1 Department of Real Estate
2 320 West Fourth Street, #350
3 Los Angeles, California 90013

4 (213) 576-6982
5 (213) 576-6907



6
7
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12) DRE No. H-31269 LA
13 NORMNIX, INC., dba) OAH No. L-2004100335
14 Real Estate Store; and)
15 KENNETH RAY NORMAN, individually,) STIPULATION AND AGREEMENT
16 and as designated broker-officer)
17 of Normnix, Inc.,)
18 Respondents.)

19 It is hereby stipulated by and between NORMNIX, INC.,
20 dba Real Estate Store (sometimes referred to herein as
21 "Respondent NORMNIX"), and KENNETH RAY NORMAN, individually and
22 as designated broker-officer of Normnix, Inc. (sometimes
23 referred to herein as "Respondent NORMAN"), both represented by
24 Frank M. Buda, Esq., and the Complainant, acting by and through
25 Martha J. Rosett, Counsel for the Department of Real Estate, as
26 follows for the purpose of settling and disposing of the
27 Accusation filed on September 2, 2004 in this matter:

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
4 hearing 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.

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

12 3. On September 13, 2004 and September 23, 2004,
13 Respondents filed Notices of Defense pursuant to Section 11506
14 of the Government Code for the purpose of requesting a hearing
15 on the allegations in the Accusation. In order to effectuate
16 this settlement, Respondents hereby freely and voluntarily
17 withdraw said Notices of Defense. Respondents acknowledge that
18 they understand that by withdrawing said Notices of Defense,
19 they will thereby waive their rights to require the
20 Commissioner to prove the allegations in the Accusation at a
21 contested hearing held in accordance with the provisions of the
22 APA and 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 Accusation and
25 the right to cross-examine witnesses.

26 4. Respondents, pursuant to the limitations set
27 forth below, although not admitting or denying the truth of the

1 allegations, will not contest the factual allegations contained
2 in the Accusation filed in this proceeding and the Real Estate
3 Commissioner shall not be required to provide further evidence
4 of such allegations.

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

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

23 7.. This Stipulation and Respondents' decision not to
24 contest the Accusation are made for the purpose of reaching an
25 agreed disposition of this proceeding, and are expressly
26 limited to this proceeding and any other proceeding or case in
27 which the Department of Real Estate ("Department"), or another

1 licensing agency of this state, another state or if the federal
2 government is involved and otherwise shall not be admissible in
3 any other criminal or civil proceedings.

4 8. Respondents understand that by agreeing to this
5 Stipulation and Agreement, Respondents agree to be jointly and
6 severally liable for payment, pursuant to Section 10148 of the
7 Business and Professions Code, of the cost of the audit which
8 led to this disciplinary action. The amount of said cost is
9 \$12,205.30.

10 9. Respondents have received, read and understand
11 the "Notice Concerning Costs of Subsequent Audit". Respondents
12 further understand that by agreeing to this Stipulation and
13 Agreement, the findings set forth below in the Determination of
14 Issues become final, and that the Commissioner may charge
15 Respondents for the costs of any subsequent audit conducted
16 pursuant to Section 10148 of the Business and Professions Code
17 to determine if the violations have been corrected. The
18 maximum cost of said audit will not exceed \$12,205.30.

19 DETERMINATION OF ISSUES

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

24 1. The conduct, acts or omissions of Respondent
25 NORMNIX, INC., as set forth in the Accusation, constitute cause
26 to suspend or revoke the real estate license and license rights
27 of Respondent NORMNIX, INC. under the provisions of Business

1 and Professions Code ("Code") Sections 10177(d) and 10177(g)
2 for violation of Code Section 10145 in conjunction with Title
3 10, Chapter 6 of the California Code of Regulations
4 ("Regulations"), Regulations 2832.1, 2831.2, 2831 and 2951.

5 2. The conduct, acts or omissions of Respondent
6 KENNETH RAY NORMAN, as set forth in the Accusation, constitute
7 cause to suspend or revoke the real estate license and license
8 rights of Respondent NORMAN under the provisions of Code
9 ++ Sections 10177(d), 10177(g) and 10177(h) for violation of
10 Code Sections 10145 and 10159.2 in conjunction with Regulations
11 2832.1, 2831.2, 2831, 2951, and 2725.

12 ORDER

13 WHEREFORE, THE FOLLOWING ORDER is hereby made:

14 I.

15 All licenses and licensing rights of Respondent
16 NORMNIX, INC. and Respondent KENNETH RAY NORMAN under the Real
17 Estate Law are revoked; provided, however, restricted real
18 estate broker licenses shall be issued to Respondents pursuant
19 to Section 10156.5 of the Business and Professions Code if
20 Respondents make application therefor and pay to the Department
21 of Real Estate the appropriate fee for the restricted license
22 within 90 days from the effective date of this Decision. The
23 restricted licenses issued to Respondents shall be subject to
24 all of the provisions of Section 10156.7 of the Business and
25 Professions Code and to the following limitations, conditions
26 and restrictions imposed under authority of Section 10156.6 of
27 that Code:

1 1. The restricted licenses issued to Respondents may
2 be suspended prior to hearing by Order of the Real Estate
3 Commissioner in the event of Respondents' conviction or plea of
4 nolo contendere to a crime which is substantially related to
5 Respondent's fitness or capacity as a real estate licensee.

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

12 3. Respondents shall not be eligible to apply for
13 the issuance of unrestricted real estate licenses nor for the
14 removal of any of the conditions, limitations or restrictions
15 of a restricted license until two (2) years have elapsed from
16 the effective date of this Decision.

17 4. Respondent NORMAN shall, within nine months from
18 the effective date of this Decision, present evidence
19 satisfactory to the Real Estate Commissioner that he has, since
20 the most recent issuance of an original or renewal real estate
21 license, taken and successfully completed the continuing
22 education requirements of Article 2.5 of Chapter 3 of the Real
23 Estate Law for renewal of a real estate license. If Respondent
24 NORMAN fails to satisfy this condition, the Commissioner may
25 order the suspension of his restricted license until he
26 presents such evidence. The Commissioner shall afford
27

1 Respondent NORMAN the opportunity for a hearing pursuant to the
2 Administrative Procedure Act to present such evidence.

3 5. Respondent NORMAN shall, within six months from
4 the effective date of this Decision, take and pass the
5 Professional Responsibility Examination administered by the
6 Department including the payment of the appropriate examination
7 fee. If Respondent NORMAN fails to satisfy this condition, the
8 Commissioner may order suspension of his license until he
9 passes the examination.

10 6. All licenses and licensing rights of Respondent
11 NORMAN shall be indefinitely suspended unless or until he
12 provides proof satisfactory to the Commissioner, of having
13 taken and successfully completed the trust fund accounting and
14 handling course specified in paragraph (3) of subdivision (a)
15 of Business and Professions Code Section 10170.5. Proof of
16 satisfaction of this requirement includes evidence that
17 Respondent NORMAN has successfully completed the trust fund
18 accounting and handling continuing education course within 120
19 days prior to the effective date of the Decision in this
20 matter.

21 7. Any license issued to Respondents shall be
22 conditioned upon submission of a declaration from Respondent
23 NORMAN certifying under penalty of perjury that all the record
24 keeping violations cited in the Accusation have been corrected;
25 that the Trust Account is in balance with the trust fund
26 records; and that Respondents have issued replacement checks
27 and/or have verified that no funds are owed to any principal

1 and that there is no liability outstanding from checks issued
2 more than six months ago.

3 8. Pursuant to Section 10148 of the Business and
4 Professions Code, Respondent KENNETH RAY NORMAN shall be
5 jointly and severally liable with Respondent NORMNIX, INC. for
6 payment of the Commissioner's reasonable cost for: a) the audit
7 which led to this disciplinary action and, b) a subsequent
8 audit to determine if Respondent has corrected the trust fund
9 violations found in the Determination of Issues. In
10 calculating the amount of the Commissioner's reasonable cost,
11 the Commissioner may use the estimated average hourly salary
12 for all persons performing audits of real estate brokers, and
13 shall include an allocation for travel costs, including mileage
14 to and from the auditor's place of work and per diem.
15 Respondent shall pay such cost within 60 days of receiving an
16 invoice from the Commissioner detailing the activities
17 performed during the audit and the amount of time spent
18 performing those activities. The Commissioner may, in his
19 discretion, vacate and set aside the stay order if payment is
20 not timely made as provided herein, or as provided for in a
21 subsequent agreement between the Respondent and the
22 Commissioner. The vacation and the set aside of the stay shall
23 remain in effect until payment is made in full, or until
24 Respondent enters into an agreement satisfactory to the
25 Commissioner to provide for payment.

26 ///

27 ///

1 II.

2 A. Any restricted broker license issued to
3 Respondent NORMNIX, INC. and/or to Respondent NORMAN shall be
4 suspended for ninety (90) days from the effective date of the
5 Decision; provided, however, that sixty (60) days of said
6 suspension shall be stayed for two (2) years upon the following
7 terms and conditions:

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

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

19 B. As to the remaining 30 days of said 90 day
20 suspensions, all licenses and licensing rights of Respondent
21 NORMNIX, INC. and Respondent KENNETH RAY NORMAN shall be
22 suspended for a period of 30 days from the issuance of any
23 restricted license; provided, however, that if either
24 Respondent petitions, the remaining 30 days of said 90 day
25 suspension shall be stayed upon condition that:

26 1. Respondents each pay a monetary penalty pursuant
27 to Section 10175.2 of the Business and Professions Code at the

1 rate of \$100 for each day of the suspension for a total
2 monetary penalty of \$3,000.00 per Respondent.

3 2. Said payment shall be in the form of a cashier's
4 check or certified check made payable to the Recovery Account
5 of the Real Estate Fund. Said check must be received by the
6 Department prior to the effective date of the Decision in this
7 matter.

8 3. No further cause for disciplinary action against
9 the real estate licenses of Respondents occurs within two years
10 of the Decision in this matter.

11 4. If Respondents fail to pay the monetary penalty
12 in accordance with the terms and conditions of the Decision,
13 the Commissioner may, without a hearing, order the immediate
14 execution of all or any part of the stayed suspension in which
15 event the Respondents shall not be entitled to any repayment
16 nor credit, prorated or otherwise, for the money paid to the
17 Department under the terms of this Decision.

18 5. If Respondents pay the monetary penalty and if no
19 further cause for disciplinary action against the real estate
20 licenses of Respondents occurs within two years from the
21 effective date of the Decision, the stay hereby granted shall
22 become permanent.

23
24 DATED: 5/25/05

MARTHA J. ROSETT
25 Counsel for Complainant

26 * * *

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

13 Respondents may signify acceptance and approval of the
14 terms and conditions of this Stipulation and Agreement by faxing
15 a copy of its signature page, as actually signed by Respondents,
16 to the Department at the following fax number (213) 576-6917.
17 Respondents agree, acknowledge and understand that by

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

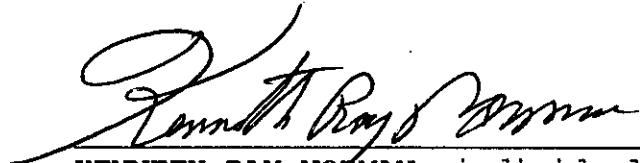
25 ///

26 ///

27

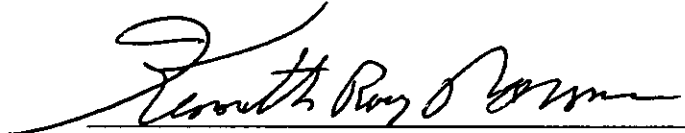
1 electronically sending to the Department a fax copy of their
2 actual signatures as they appear on the Stipulation, that receipt
3 of the faxed copy by the Department shall be as binding on
4 Respondents as if the Department had received the original signed
5 Stipulation and Agreement.

6
7 DATED: 5-12-05



KENNETH RAY NORMAN, individually
Respondent

9
10 DATED: 5-12-05



KENNETH RAY NORMAN, designated
Broker-officer, on behalf of
Respondent NORMNIX, INC.

11
12
13 DATED: 5-3-05



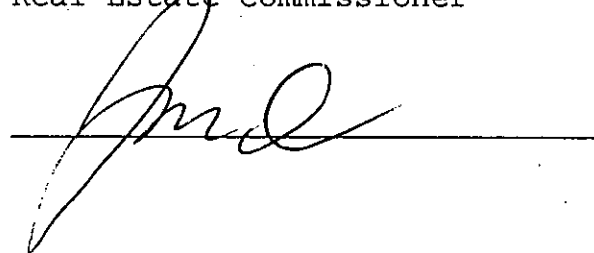
Frank M. Buda, Esq.
Counsel for Respondent

14
15
16 * * *

17 The foregoing Stipulation and Agreement is hereby
18 adopted as my Decision in this matter and shall become
19 effective at 12 o'clock noon on July 11, 2005.

20 IT IS SO ORDERED 6-2-05

21
22 JEFF DAVI
Real Estate Commissioner



Sacto Ray

FILED

BEFORE THE DEPARTMENT OF REAL ESTATE JAN 11 2005
STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

by Laura B. Dine

In the Matter of the Accusation of

NORMNIX, INC., dba Real Estate Store,
and KENNETH RAY NORMAN, individually
and as designated broker-officer of
NORMNIX, INC.,

}

Case No. H-31269 LA

OAH No. L-2004100335

Respondent

CONTINUED
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 the Office of Administrative Hearings, 320 West Fourth Street, Suite 630, Los Angeles, California on MARCH 23 & 24, 2005, 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 7, 2005

By

Martina J. Rosett
MARTHA J. ROSETT, Counsel

cc: Normnix, Inc.
Kenneth Ray Norman
Frank M. Buda, Esq./SACTO; OAH

Sacto Ray

FILED
NOV 24 2004
DEPARTMENT OF REAL ESTATE

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

By *Jane B. Dine*

In the Matter of the Accusation of

NORMNIX, INC., dba Real Estate Store,
and KENNETH RAY NORMAN, individually
and as designated broker-officer of
NORMNIX, INC.,

}

Case No. H-31269 LA

OAH No. L-2004100335

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 the **Office of Administrative Hearings, 320 West Fourth Street, Suite 630, Los Angeles, California** on **JANUARY 3, 2005**, 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: November 22, 2004

By *Martha J. Rosett*
MARTHA J. ROSETT, Counsel

cc: Normnix, Inc.
Kenneth Ray Norman
Frank M. Buda, Esq./SACTO; OAH

2004

FILED
SEP - 2 2004
DEPARTMENT OF REAL ESTATE

MARTHA J. ROSETT, Counsel (SBN 142072)
Department of Real Estate
320 West Fourth St., #350
Los Angeles, CA 90013

By *Janice D. Waddell*

(213) 576-6982
(213) 576-6907

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of) No. H-31269 LA
)
NORMNIX, INC., dba Real Estate Store,))
and KENNETH RAY NORMAN, individually))
and as designated broker-officer of) A C C U S A T I O N
NORMNIX, INC.,))
))
Respondents.))

The Complainant, Janice Waddell, a Deputy Real Estate Commissioner, for cause of Accusation against NORMNIX, INC., dba Real Estate Store, and KENNETH RAY NORMAN, individually and as designated broker-officer of NORMNIX, INC., is informed and alleges as follows:

1.

The Complainant, Janice Waddell, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

2.

Respondent NORMNIX, INC., dba Real Estate Store (hereinafter "NORMNIX"), is presently licensed and at all times relevant herein was licensed under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereinafter "Code") as a corporate real estate broker. Respondent has been licensed by the Department of Real Estate of the State of California (hereinafter "Department") as a corporate real estate broker since August 15, 1983. Respondent NORMNIX is authorized to act by and through Respondent KENNETH RAY NORMAN as the designated officer and broker responsible, pursuant to the provisions of Code Section 10159.2 for the supervision and control of the activities conducted on behalf of NORMNIX by NORMNIX's officers and employees.

3.

Respondent KENNETH RAY NORMAN (hereinafter "NORMAN") is presently licensed and at all times relevant herein was licensed under the Code as a real estate broker. Respondent has been licensed since on or before March 3, 1992. At all times relevant herein, Respondent NORMAN was the broker-officer of NORMNIX designated pursuant to Code Section 10159.2 to be responsible for the supervision and control of the activities conducted on behalf of NORMNIX by its officers and employees as necessary to secure full compliance with the Real Estate Law. Respondent has been designated broker-officer of Respondent NORMNIX since on or before December 17, 1997.

///

1 4.

2 At all times material herein, Respondent NORMNIX and
3 Respondent NORMAN were engaged in the business of, acted in the
4 capacity of, advertised or assumed to act as a real estate broker
5 in the State of California within the meaning of Code Sections
6 10131(a) for another or others in expectation of compensation.
7 Said activity included soliciting and representing purchasers and
8 sellers of real properties, negotiating the purchases and sales
9 of residential real properties, and performing escrow activities
10 in relation to those purchases and sales pursuant to the
11 exemption set forth in Financial Code Section 17006(a)(4).

12 5.

13 All further references to "Respondents" include
14 Respondents NORMNIX and NORMAN and also include the employees,
15 agents and real estate licensees employed by or associated with
16 Respondent NORMNIX and Respondent NORMAN, who at all times
17 material herein were engaged in the furtherance of the business
18 or operations of said parties and who were acting within the
19 course and scope of their authority, agency or employment.

20 6.

21 During the period between May 1, 2001 through
22 January 31, 2003, in connection with the aforesaid real estate
23 sales activities, Respondents accepted or received funds,
24 including funds in trust (hereinafter "trust funds") from or on
25 behalf of actual and prospective purchasers and owners of
26 residential properties and made deposits and/or disbursements of
27 such funds. From time to time herein mentioned, said trust funds

1 were deposited into trust accounts maintained by Respondents at
2 U.S. Bank, identified as follows:

3 1. Account No. 1-638-0082-9851, U.S. Bank, P.O. Box
4 64799, St. Paul, Minnesota, 55164, entitled, "Real Estate
5 Eagles Inc., dba Real Estate Store" (hereinafter referred to
6 as "Trust Account #1"); and

7 2. Account No. 1-534-5315-2719, U.S. Bank, P.O. Box
8 64799, St. Paul, Minnesota, 55164, entitled, "Real Estate
9 Eagles Inc., dba Real Estate Store" (hereinafter referred to
10 as "Trust Account #2").

11 Respondent NORMAN was one of five signatories on the
12 accounts. The other signers were John Greer, a licensed real
13 estate salesperson; Winfield S. Van Dyke, a licensed real estate
14 salesperson; Bennie Anderson, an unlicensed individual; and Ruth
15 Shan, an unlicensed individual.

16 These accounts were used for deposit and disbursement
17 of trust funds in relation with NORMNIX's broker escrow activity.
18 Trust Account #2 was opened on or about December 27, 2002.

19 7.

20 On or about February 5, 2003, the Department completed
21 its examinations of Respondent NORMNIX's books and records,
22 pertaining to the real estate activities described in Paragraphs
23 4 and 6 above, covering a period from approximately May 1, 2001
24 through January 31, 2003. The primary purpose of the
25 examinations was to determine Respondent's compliance with the
26 Real Estate Law. The examinations, Audit #LA 0020016 and LA
27 0020017, revealed violations of the Code and of Title 10, Chapter

1 6, California Code of Regulations ("Regulations"), as set forth
2 below, and as more specifically set forth in the audit report and
3 attached exhibits.

4 8.

5 In the course of activities described in Paragraphs 4
6 and 6 above, and during the examination period described in
7 Paragraph 7, Respondents acted in violation of the Code and the
8 Regulations in that:

9 a) Respondents' trust accounts used in connection with
10 broker escrow activity had trust fund shortages, with Trust
11 Account #1 having a shortage of \$224,330.32 as of April 30,
12 2002; Trust Account #1 having a shortage of \$93,851.58 as
13 of August 31, 2002; and Trust Account #2 having a shortage
14 of \$159,739.62 as of January 31, 2003. These shortages are
15 in violation of Code Section 10145 and Regulations 2832.1
16 and 2951;

17 b) Respondents did not perform monthly reconciliation
18 of the columnar records to the separate records as required,
19 in violation of Code Section 10145 and Regulations 2831.2
20 and 2951;

21 c) Respondents did not provide a control record for
22 the audit period, in violation of Code Section 10145 and
23 Regulations 2831 and 2951;

24 d) Respondents did not maintain a complete separate
25 record for each beneficiary in connection with its broker
26 escrow activities. Specifically, check number and amounts
27 did not match the amounts that cleared the bank, in

1 violation of Code Section 10145 and Regulations 2831.1 and
2 2951;

3 e) Respondents allowed unlicensed individuals without
4 fidelity bond coverage (Ruth Shan and Bennie Anderson) to be
5 signers on the trust account, in violation of Code Section
6 10145 and Regulations 2834 and 2951;

7 f) Trust funds were deposited into trust accounts
8 which were not held in the name of the broker as trustee, in
9 violation of Code Section 10145 and Regulations 2834 and
10 2951; and

11 g) Respondents failed to exercise reasonable
12 supervision and establish policies for reviewing the
13 handling of the trust account, in violation of Code Section
14 10159.2 and Regulations 2725.

15 The foregoing violations constitute cause for the
16 suspension or revocation of Respondent's real estate license and
17 license rights under the provisions of Code Sections 10177(d)
18 and/or 10177(g).

19 9.

20 The acts, conduct and omissions set forth in Paragraph
21 8 above constitute grounds to discipline Respondent NORMAN's
22 license and license rights as the broker-officer designated to be
23 responsible for failing to supervise the activities of Respondent
24 NORMNIX pursuant to Code Section 10177(h).

25 ///

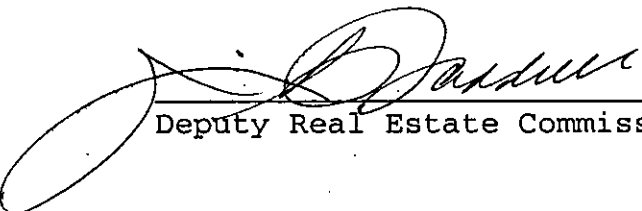
26 ///

27 ///

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
4 action against all licenses and/or license rights of Respondent
5 NORMNIX, INC. and Respondent KENNETH RAY NORMAN under the Real
6 Estate Law and for such other and further relief as may be proper
7 under applicable provisions of law.

8 Dated at Los Angeles, California

9 this 8 day of September, 2004.

10
11
12 
13 Deputy Real Estate Commissioner
14
15
16
17
18
19
20

21 cc: Kenneth Ray Norman
22 Normnix Inc.
23 Sacto.
24 Janice Waddell
25 Audits
26
27