

FILED
DEC 11 2006
DEPARTMENT OF REAL ESTATE

By *R. Medel*

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of) NO. H-31796 LA
)
HARROWOODS INC.; doing business as)
Cal Property Management; and)
LOURENA MAE ARROWOOD, individually)
and as designated officer of)
Harrowoods Inc.)
)
)
)
Respondents.)
_____)

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on November 22, 2006, and the findings of fact set forth herein are based on one or more of the following: (1) Respondent Harrowoods Inc.'s express admissions; (2) affidavits; and (3) Department Audit Report LA 010397, dated August 27, 2002, and (4) other evidence.

FACTUAL FINDINGS

1.

On March 28, 2005, Maria Suarez made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent Harrowoods Inc., and a Notice of Defense was mailed by certified mail on March 30, 2005 and May 13, 2005 by regular mail.

2.

On November 22, 2006, no Notice of Defense having been filed herein within the time prescribed by Section 11506 of the Government Code, Respondent Harrowoods Inc.'s default was entered herein.

3.

At all times mentioned, Harrowoods Inc. was licensed or had license rights issued by the Department of Real Estate ("Department") as a real estate broker. On May 1, 2001, Harrowoods Inc. was originally licensed as a real estate broker.

4.

At all times mentioned, in the City and County of San Bernardino, Harrowoods Inc. acted as a real estate broker and conducted licensed activities within the meaning of Section 10131(b) of the Code. Harrowoods Inc. operated a property management brokerage.

5.

On August 27, 2002, the Department completed an audit examination of the books and records of Harrowoods Inc. pertaining to the property management activities described in Finding 4, that require a real estate license. The audit examination covered a period of time beginning on March 1, 2001 to May 30, 2002. The audit examination revealed violations of the Code and the Regulations as set forth in the following Findings, and more fully discussed in Audit Report LA 010397 and the exhibits and workpapers attached to said audit report.

6.

In the course of activities described in Finding 4, above, and during the examination period described in Finding 5, Respondent the Harrowoods Inc., acted in violation of the Code and the Regulations in that it:

(a) Permitted, allowed or caused the disbursement of trust funds from the escrow trust account where the disbursement of funds reduced the total of aggregate funds in the escrow trust account, to an amount which, on May 30, 2002, was \$10,931.73, less than the existing aggregate trust fund liability of Harrowoods Inc. 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.

(b) Failed to place trust funds, into a trust fund account in the name of the broker as trustee at a bank or other financial, as required by Code Section 10145 and Regulation 2832.

(c) Failed to perform a monthly reconciliation of the balance of all separate beneficiary or transaction records maintained pursuant to Regulation 2831.1 with the record of all trust funds received and disbursed by the trust account, as required by Code Section 10145 and Regulation 2831.2.

(d) Permitted Martin Standsberry, an unlicensed and unbonded person, to be authorized signatories on the trust account, in violation of Code Section 10145 and Regulation 2834.

(e) During parts of the audit period, managed properties on behalf of others while operating without a designated officer, in violation of Code Section 10130.

(f) Failed to notify the Department of its principal place of business, in violation of Code Section 10162 and Regulation 2715.

(g) Employed an unlicensed individual, Dennis Sellers, as an account manager who was responsible for negotiating and signing management and rental contracts on behalf of Respondent Harrowoods Inc., in violation of Code Section 10137.

DETERMINATION OF ISSUES

1.

The conduct of Respondent Harrowoods Inc. as described in Finding 6, herein above, is in violation of Business and Professions Code ("Code") Sections 10130, 10137, 10145 and 10162 and Sections 2715, 2832, 2831.2, 2832.1 and 2834, of Title 10, Chapter 6, of the California Code or Regulations.

2.

The standard of proof applied was clear and convincing proof to a reasonable certainty.

3.

Cause for disciplinary action against Respondent Harrowoods Inc. exists pursuant to Code Sections 10165, 10177(d) and 10177(g).

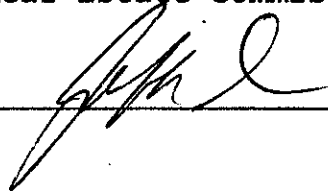
ORDER

The real estate broker license and license rights of Respondent Harrowoods Inc. under the provisions of Part I of Division 4 of the Business and Professions Code are revoked.

This Decision shall become effective at 12 o'clock noon on JAN - 2 2007

DATED: 12-7, 2006

JEFF DAVI
Real Estate Commissioner



1 Department of Real Estate
320 West 4th Street, Ste. 350
2 Los Angeles, California 90013-1105
3 Telephone: (213) 576-6911 (direct)
-or- (213) 576-6982 (office)
4
5
6
7

FILED
NOV 22 2008
DEPARTMENT OF REAL ESTATE

By *K. Medeiros*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) No. H-31796 LA
12)
12 HARROWOODS INC. doing business as)
13 Cal Property Management; and)
13 LOURENA MAE ARROWOOD,)
14 individually and as designated)
14 officer of Harrowoods Inc.,)
15)
16 Respondents.)

17
18 DEFAULT ORDER

19 Respondent HARROWOODS INC., having failed to file a
20 Notice of Defense within the time required by Section 11506 of
21 the Government Code, is now in default. It is, therefore,
22 ordered that a default be entered on the record in this matter.

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IT IS SO ORDERED

November 21, 2006

JEFF DAVI
Real Estate Commissioner

M. Dolores Weeks

By: M. DOLORES WEEKS
Regional Manager

1 ELLIOTT MAC LENNAN, SBN 66674
2 Department of Real Estate
3 320 West 4th Street, Ste. 350
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6911 (direct)
6 -or- (213) 576-6982 (office)

FILED
NOV -7 2005
DEPARTMENT OF REAL ESTATE

By K. M. Scholtz

8
9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Accusation of)	No. H-31796 LA
13 HARROWOODS INC. dba Cal Properties,)	<u>STIPULATION</u>
14 dba Cal Property Management; and)	<u>AND</u>
15 LOURENA MAE ARROWOOD; individually)	<u>AGREEMENT</u>
16 and as designated officer of)	
17 Harrowoods Inc.)	
18 Respondents,)	
19)	
20)	
21)	
22)	

23 It is hereby stipulated by and between Respondent
24 LOURENA MAE ARROWOOD, individually and as former designated
25 officer of Harrowoods Inc. (sometimes referred to as
26 "Respondent"), represented by Phillip R. Kimes, Attorney At Law
27 and the Complainant, acting by and through Elliott Mac Lennan,
Counsel for the Department of Real Estate, as follows for the
purpose of settling and disposing of the Accusation
("Accusation") filed on March 30, 2005, in this matter:

1 1. All issues which were to be contested and all
2 evidence which was to be presented by Complainant and Respondent
3 at a formal hearing on the Accusation, which hearing was to be
4 held in accordance with the provisions of the Administrative
5 Procedure Act ("APA"), shall instead and in place thereof be
6 submitted solely on the basis of the provisions of this
7 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. Respondent timely filed a Notice of Defense
13 pursuant to Section 11506 of the Government Code for the purpose
14 of requesting a hearing on the allegations in the Accusation.
15 Respondent hereby freely and voluntarily withdraws said Notice of
16 Defense. Respondent acknowledges that she understands that by
17 withdrawing said Notice of Defense she thereby waives her right
18 to require the Commissioner to prove the allegations in the
19 Accusation at a contested hearing held in accordance with the
20 provisions of the APA and that she will waive other rights
21 afforded to her in connection with the hearing such as the right
22 to present evidence in her defense the right to cross-examine
23 witnesses.
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25 4. This Stipulation is based on the factual
26 allegations contained in the Accusation. In the interest of
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1 expedience and economy, Respondent chooses not to contest these
2 allegations, but to remain silent and understands that, as a
3 result thereof, these factual allegations, without being admitted
4 or denied, will serve as a prima facie basis for the disciplinary
5 action stipulated to herein. The Real Estate Commissioner shall
6 not be required to provide further evidence to prove said factual
7 allegations.

8 5. This Stipulation and Respondent's decision not to
9 contest the Accusation is made for the purpose of reaching an
10 agreed disposition of this proceeding and is expressly limited to
11 this proceeding and any other proceeding or case in which the
12 Department of Real Estate ("Department"), the state or federal
13 government, or any agency of this state, another state or federal
14 government is involved.

15 6. It is understood by the parties that the Real
16 Estate Commissioner may adopt this Stipulation as his Decision in
17 this matter thereby imposing the penalty and sanctions on
18 Respondent's real estate licenses and license rights as set forth
19 in the "Order" herein below. In the event that the Commissioner
20 in his discretion does not adopt the Stipulation, it shall be
21 void and of no effect and Respondent shall retain the right to a
22 hearing and proceeding on the Accusation under the provisions of
23 the APA and shall not be bound by any stipulation or waiver made
24 herein.
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1 7. The Order or any subsequent Order of the Real
2 Estate Commissioner made pursuant to this Stipulation shall not
3 constitute an estoppel, merger or bar to any further
4 administrative or civil proceedings by the Department of Real
5 Estate with respect to any matters which were not specifically
6 alleged to be causes for Accusation in this proceeding but do
7 constitute a bar, estoppel and merger as to any allegations
8 actually contained in the Accusations against Respondent herein.

9 8. Respondent understands that by agreeing to this
10 Stipulation, Respondent agrees to pay, pursuant to Business and
11 Professions Code Section 10148, the cost of audit which led to
12 this disciplinary action. The amount of said cost for the audit
13 is \$8,837.84.

14 9. Respondent has received, read, and understands the
15 "Notice Concerning Costs of Subsequent Audit". Respondent
16 further understands that by agreeing to this Stipulation, the
17 findings set forth below in the Determination of Issues become
18 final, and the Commissioner may charge Respondent for the cost of
19 any subsequent audit conducted pursuant to Business and
20 Professions Code Section 10148 to determine if the violations
21 have been corrected. The maximum cost of the subsequent audit
22 will not exceed \$8,837.84.

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DETERMINATION OF ISSUES

1 By reason of the foregoing, it is stipulated and agreed
2 that the following determination of issues shall be made:
3

4 I.

5 The conduct of LOURENA MAE ARROWOOD, as described in
6 Paragraph 4, above, is in violation of Sections 10145 and 10159.2
7 of the Business and Professions Code ("Code") and Sections 2725
8 and 2832.1 of Title 10, Chapter 6 of the California Code of
9 Regulations ("Regulations") and is a basis for the suspension or
10 revocation of Respondent's license and license rights as a
11 violation of the Real Estate Law pursuant to Code Section
12 10177(d), 10177(g) and 10177(h).
13

ORDER

14 WHEREFORE, THE FOLLOWING ORDER is hereby made:

15 I.

16 All licenses and licensing rights of Respondent
17 LOURENA MAE ARROWOOD, under the Real Estate Law are revoked;
18 provided, however, a restricted real estate broker license shall
19 be issued to Respondent, pursuant to Section 10156.5 of the
20 Business and Professions Code, if Respondent makes application
21 therefor and pays to the Department of Real Estate the
22 appropriate fee for the restricted license within ninety (90)
23 days from the effective date of this Decision. The restricted
24 license issued to Respondent shall be subject to all of the
25 provisions of Section 10156.7 of the Code and the following
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1 limitations, conditions and restrictions imposed under authority
2 of Section 10156.6 of that Code:

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

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

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

19 4. Respondent shall, within nine (9) months from the
20 effective date of this Decision, present evidence satisfactory to
21 the Real Estate Commissioner that Respondent has, since the most
22 recent issuance of an original or renewal real estate license,
23 taken and successfully completed the continuing education
24 requirements of Article 2.5 of Chapter 3 of the Real Estate Law
25 for renewal of a real estate license. If Respondent fails to
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1 satisfy this condition, the Commissioner may order the suspension
2 of the restricted license until the Respondent presents such
3 evidence. The Commissioner shall afford Respondent the
4 opportunity for a hearing pursuant to the Administrative
5 Procedure Act to present such evidence.

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

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

24
25 7. During the time Respondent is licensed as a
26 restricted real estate broker, Respondent shall not serve as the
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1 designated broker at any corporate real estate broker unless
2 Respondent is the owner of record of the controlling shares in
3 said corporation.

4 II.

5 Pursuant to Section 10148 of the Business and
6 Professions Code, Respondent shall pay the Commissioner's
7 reasonable cost for (a) the audit which led to this disciplinary
8 action and (b) a subsequent audits to determine if Respondent
9 LOURENA MAE ARROWOOD is now in compliance with the Real Estate
10 Law. The cost of the audit which led to this disciplinary action
11 is \$8,837.84. In calculating the amount of the Commissioner's
12 reasonable cost, the Commissioner may use the estimated average
13 hourly salary for all persons performing audits of real estate
14 brokers, and shall include an allocation for travel time to and
15 from the auditor's place of work. Said amount for the prior and
16 subsequent audits shall not exceed \$17,675.68.

17
18 Respondent shall pay such cost within 60 days of
19 receiving an invoice from the Commissioner detailing the
20 activities performed during the audit and the amount of time
21 spent performing those activities.

22 The Commissioner may suspend the license of Respondent
23 pending a hearing held in accordance with Section 11500, et seq.,
24 of the Government Code, if payment is not timely made as provided
25 for herein, or as provided for in a subsequent agreement between
26 the Respondent and the Commissioner. The suspension shall remain
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1 in effect until payment is made in full or until Respondent
2 enters into an agreement satisfactory to the Commissioner to
3 provide for payment, or until a decision providing otherwise is
4 adopted following a hearing held pursuant to this condition.
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7 DATED: 10-21-05

ELM
8 ELLIOTT MAC LENNAN, Counsel for
the Department of Real Estate

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EXECUTION OF THE STIPULATION

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

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

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3 DATED: 10-21-05

Laurena Mae Arrowood
LOURENA MAE ARROWOOD individually
and as former designated officer of
Harrowoods Inc., Respondent

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6
7 DATED: 10-21-05

Phillip R. Kimes
PHILLIP R. KIMES, ESQ. Attorney for
Respondent Laurena Mae Arrowood,
approved as to form.

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11 * * *

12 The foregoing Stipulation and Agreement is hereby
13 adopted as my Decision as to Respondent LOURENA MAE ARROWOOD as
14 former designated officer of Harrowoods Inc. and shall become
15 effective at 12 o'clock noon on _____, 2005.

16 IT IS SO ORDERED _____, 2005.

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18 JEFF DAVI
19 Real Estate Commissioner
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DATED: _____

LOURENA MAE ARROWOOD individually
and as former designated officer of
Harrowoods Inc., Respondent

DATED: _____

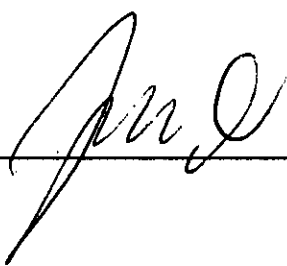
PHILLIP R. KIMES, ESQ. Attorney for
Respondent Lourena Mae Arrowood,
approved as to form.

* * *

The foregoing Stipulation and Agreement is hereby
adopted as my Decision as to Respondent LOURENA MAE ARROWOOD as
former designated officer of Harrowoods Inc. and shall become
effective at 12 o'clock noon on DEC - 7, 2005.

IT IS SO ORDERED 11-3-05, 2005..

JEFF DAVI
Real Estate Commissioner



*Just
Zoe*

FILED
MAR 30 2005
DEPARTMENT OF REAL ESTATE

1 MARTHA J. ROSETT, Counsel (SBN 142072)
2 Department of Real Estate
3 320 West Fourth St., #350
4 Los Angeles, CA 90013

By *Laura B. Slom*

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

7
8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11 In the Matter of the Accusation of) No. H-31796 LA
12 HARROWOODS INC., dba Cal Properties,) A C C U S A T I O N
13 dba Cal Property Management; and)
14 LOURENA MAE ARROWOOD, individually and)
as Designated broker-officer of)
Harrowoods Inc.,)
15 Respondents.)
16

17 The Complainant, Maria Suarez, a Deputy Real Estate
18 Commissioner, for cause of Accusation against HARROWOODS INC.,
19 dba Cal Properties, and dba Cal Property Management; and LOURENA
20 MAE ARROWOOD, individually and as designated broker-officer of
21 Harrowoods Inc., is informed and alleges as follows:

22 1.

23 The Complainant, Maria Suarez, a Deputy Real Estate
24 Commissioner of the State of California, makes this Accusation in
25 her official capacity.

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2.

1
2 Respondent HARROWOODS INC., dba Cal Properties, and dba
3 Cal Property Management (hereinafter "H.I."), is presently
4 licensed and at all times relevant herein was licensed under the
5 Real Estate Law, Part 1 of Division 4 of the California Business
6 and Professions Code (hereinafter "Code") as a corporate real
7 estate broker. Respondent H.I. has been licensed by the
8 Department of Real Estate of the State of California (hereinafter
9 "Department") as a corporate real estate broker since on or
10 before May 1, 2001. At all times relevant herein, Respondent
11 H.I. was authorized to act by and through Respondent LOURENA MAE
12 ARROWOOD as the designated officer and broker responsible,
13 pursuant to the provisions of Code Section 10159.2 for the
14 supervision and control of the activities conducted on behalf of
15 H.I. by H.I.'s officers and employees. On or about May 7, 2002,
16 Respondent ARROWOOD cancelled her status as designated officer of
17 H.I. Since that time, there has been no designated officer-
18 broker of record on file with the Department.
19

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21 3.

22 Respondent LOURENA MAE ARROWOOD (hereinafter
23 "ARROWOOD"), is licensed and at all times relevant herein was
24 licensed under the Code as a real estate broker. Respondent
25 ARROWOOD has been licensed by the Department since on or before
26 March 28, 1986. Between May 1, 2001 and May 7, 2002, Respondent
27 ARROWOOD was the broker-officer of Respondent HARROWOODS INC.

1 responsible pursuant to the provisions of Code Section 10159.2
2 for the supervision and control of the activities conducted on
3 behalf of H.I. by H.I.'s officers and employees.

4 4.

5 At all times material herein, Respondents engaged in
6 the business of, acted in the capacity of, advertised or assumed
7 to act as a real estate broker in the State of California within
8 the meaning of Code Section 10131(b) for another or others in
9 expectation of compensation. Said activity included collecting
10 rents and security deposits, advertising properties, screening
11 tenants and managing rental properties on behalf of the owners.

12 5.

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

20 Audit Violations

21 6.

22 On or about August 27, 2002, the Department completed
23 its examination of Respondent H.I.'s books and records,
24 pertaining to the real estate activities described in Paragraph 4
25 above, covering a period from approximately March 1, 2001 through
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1 May 30, 2002. The primary purpose of the examination was to
2 determine Respondent's compliance with the Real Estate Law. The
3 examination, Audit No. LA 010397, revealed violations of the
4 Business and Professions Code, of Title 10, Chapter 6, California
5 Code of Regulations ("Regulations"), as more specifically set
6 forth in the Audit Reports and Exhibits attached thereto.

7 7.

8 In the course of activities described in Paragraph 4
9 above, and during the examination period described in Paragraph
10 6, Respondents acted in violation of the Business and Professions
11 Code and the Regulations in that:

12 a) As of April 15, 2002, the property management trust
13 account contained a shortage of \$19,720.08. As of May 30, 2002,
14 the shortage was \$10,931.73. Respondents caused, permitted
15 and/or allowed the withdrawal or disbursement of trust funds from
16 this account without the prior written consent of every principal
17 who then was an owner of funds in the account, thereby reducing
18 the balance of funds in the said account to an amount less than
19 the existing aggregate trust fund liability of the broker to all
20 the owners of said trust funds, in violation of Code Section
21 10145 and Regulation 2832.1.

22 b) The bank account used to handle property management
23 trust funds was not in the broker's name as trustee and was not
24 designated as a trust account, in violation of Code Section 10145
25 and Regulation 2832.
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1 c) Respondents failed to perform and maintain a
2 monthly reconciliation of all trust funds received and disbursed
3 and the total balance of all separate beneficiary records for the
4 trust fund account, in violation of Code Section 10145 and
5 Regulation 2831.2.

6 d) Martin Standsberry, who was not licensed by the
7 Department, was authorized to sign trust account checks without
8 fidelity bond coverage from March 1, 2001 through April 30, 2001
9 and from May 1, 2002 through May 30, 2002, in violation of Code
10 Section 10145 and Regulation 2834.

11 e) Respondent ARROWOOD, as designated broker-officer
12 of H.I., did not exercise control and supervision over the trust
13 account records during the period from May 1, 2002 through
14 May 7, 2002, in violation of Code Section 10159.2 and Regulation
15 2725.

16 f) During parts of the audit period, between March 1,
17 2001 through April 30, 2001 and from April 15, 2002 through May
18 30, 2002, Respondent H.I., as a corporation, managed properties
19 on behalf of others in expectation of compensation while
20 operating without a designated broker-officer, in violation of
21 Code Section 10130.

22 g) According to the Department's licensing records,
23 Respondent H.I. cancelled its main office at 225 Airport Dr. #240
24 in San Bernardino on May 7, 2002. It continued to perform
25 property management activities, but did not notify the Department
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1 of their new principal place of business, in violation of Code
2 Section 10162 and Regulation 2715.

3 h) Respondents employed an unlicensed individual,
4 Dennis Sellers, as an account manager who was responsible for
5 negotiating and signing management and rental contracts on behalf
6 of the corporation, in violation of Code Section 10137.

7 The foregoing violations constitute cause for the
8 suspension or revocation of Respondent H.I.'s and Respondent
9 ARROWOOD's real estate licenses and license rights under the
10 provisions of Code Sections 10177(d), 10165, and/or 10177(g).

11
12 Failure to Supervise

13 8.

14 The violations set forth above constitute cause for the
15 suspension or revocation of Respondent LOURENA MAE ARROWOOD's
16 real estate license and/or license rights as the broker-officer
17 of Respondent H.I. designated pursuant to Code Section 10159.2,
18 for failing to supervise the activities of the corporation, in
19 violation of Code Sections 10177(h), 10177(d) and/or 10177(g).

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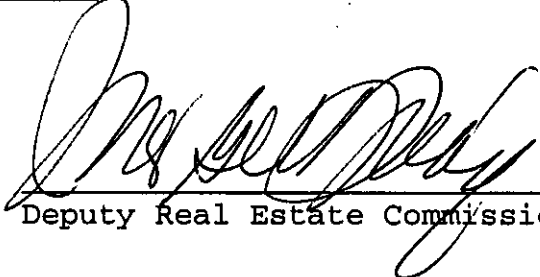
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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and/or license rights of Respondent HARROWOODS INC. and Respondent LOURENA MAE ARROWOOD under the Real Estate Law and for such other and further relief as may be proper under applicable provisions of law.

Dated at Los Angeles, California
this 20th day of March, 2005.


Deputy Real Estate Commissioner

cc: Harrowoods Inc.
Lourena Mae Arrowood
Sacto.
Janice Waddell
Maria Suarez
Audits (Kwong)