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FILED
JULY 11, 2008
DEPARTMENT OF REAL ESTATE

By C. B.

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) NO. H-33783 LA
JACK PITT,) L-2007040727
Respondent.)

DECISION AFTER RECONSIDERATION

On February 27, 2008, a Decision was rendered herein by the Real Estate Commissioner which revoked the real estate broker license and license rights of Respondent JACK PITT. Said Decision which was to become effective on March 26, 2008, and was stayed by separate Order to April 25, 2008.

On April 2, 2008, Respondent petitioned for reconsideration of said Decision. An Order Granting Reconsideration for the limited purpose of determining whether the penalty therein imposed should be reduced or modified was filed on April 25, 2008. I have considered the petition of

1 Respondent and have concluded that good cause has been
2 presented for reconsideration of the Decision of February 27,
3 2008, for the limited purpose of determining whether the
4 penalty therein imposed should be reduced or modified.
5

6 I have reconsidered said Decision, and it is hereby
7 ordered that the penalty therein imposed against the real
8 estate broker license of JACK PITT be reduced by modifying the
9 Decision as follows:

10 ORDER

11 WHEREFORE, THE FOLLOWING ORDER is hereby made:

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

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

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

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

19 4. Respondent shall submit with any application for
20 license under an employing broker, or any application for
21 transfer to a new employing broker, a statement signed by the
22 prospective employing real estate broker on a form approved by
23 the Department of Real Estate which shall certify:

- 24 (a) That the employing broker has read the
25 Decision of the Commissioner which granted
26 the right to a restricted license; and
27 (b) That the employing broker will exercise

1 close supervision over the performance by
2 the restricted licensee relating to
3 activities for which a real estate license
4 is required.

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

18
19 6. Respondent shall, within six months from the
20 effective date of this Decision, take and pass the Professional
21 Responsibility Examination administered by the Department
22 including the payment of the appropriate examination fee. If
23 Respondent fails to satisfy this condition, the Commissioner
24 may order suspension of the restricted license until Respondent
25 passes the examination.
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1 The right to reinstatement of a revoked real estate
2 license is controlled by Section 11522 of the Government Code.
3 A copy of Section 11522 and a copy of the Commissioner's
4 Criteria of Rehabilitation are attached hereto for the
5 information of Respondent.
6

7 This Decision shall become effective at 12 o'clock
8 noon on July 31, 2008.

9 IT IS SO ORDERED _____

7.2.08.

10
11 JEFF DAVIS
12 Real Estate Commissioner
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14 _____
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FILED

APR 25 2008

DEPARTMENT OF REAL ESTATE

BY: *H. J. [Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

NO. H-33783 LA

L-2007040727

JACK PITT,)

Respondent.)

ORDER GRANTING RECONSIDERATION

On February 27, 2008, a Decision was signed in the above-entitled matter. Said Decision, which was to become effective on March 26, 2008, was stayed by separate Order to April 25, 2008.

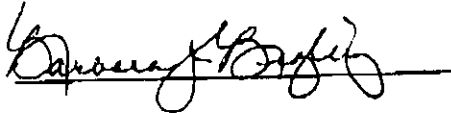
On April 2, 2008, Respondent petitioned for reconsideration of the Decision of February 27, 2008.

I find that there is good cause to reconsider said Decision. Reconsideration is hereby granted for the limited purpose of determining whether the penalty in this matter should be reduced or modified.

1 Respondent shall have fifteen (15) days from the date
2 of this Order to submit any additional argument. Counsel for
3 Complainant shall have fifteen (15) days thereafter to submit
4 any additional argument.
5

6 IT IS SO ORDERED 4-24-08

7 JEFF DAVI
8 Real Estate Commissioner

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10
11 BY: Barbara J. Bigby
12 Chief Deputy Commissioner
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SAC

FILED
MARCH 12, 2008
DEPARTMENT OF REAL ESTATE

By [Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
JACK PITT,) DRE NO. H-33783 LA
Respondent.) OAH NO. L-2007040727

ORDER STAYING EFFECTIVE DATE

On February 27, 2008, a Decision was rendered in the above-entitled matter to become effective March 26, 2008.

IT IS HEREBY ORDERED that the effective date of the Decision of February 27, 2008, is stayed for a period of thirty (30) days to allow Respondent JACK PITT to file a petition for reconsideration.

The Decision of February 27, 2008, shall become effective at 12 o'clock noon on April 25, 2008.

DATED: March 12, 2008.

JEFF DAVI
Real Estate Commissioner

By: [Signature]
PHILLIP IHDE
Regional Manager

FILED
MARCH 6, 2008
DEPARTMENT OF REAL ESTATE

By e

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	NO. H-33783 LA
JACK PITT,	L-2007040727
Respondent.	

DECISION AFTER REJECTION

This matter was heard before Vincent Nafarrete, Administrative Law Judge (hereinafter "ALJ") of the Office of Administrative Hearings, at Los Angeles, California, on August 21, 2007. JACK PITT (hereinafter "Respondent") appeared in person and was represented by Frank M. Buda, Esq. The Complainant was represented by Lissete Garcia, Counsel for the Department of Real Estate. All evidence was received, the hearing was closed and the matter stood submitted.

On September 19, 2007, ALJ Nafarrete, submitted a Proposed Decision which I declined to adopt. My Decision is set forth herein.

1 Pursuant to Section 11517(c) of the Government Code of
2 the State of California, Respondent was served with notice of my
3 determination not to adopt the Proposed Decision of the ALJ
4 along with a copy of said Proposed Decision. Respondent was
5 notified that the case would be decided by me upon the record,
6 the transcript of proceedings held on August 21, 2007, and upon
7 any written argument offered by Respondent and Complainant.

8 Respondent submitted written Argument on December 28,
9 2007. Complainant submitted written Argument on January 11,
10 2008.

11 I have given careful consideration to the record in
12 this case including the transcript of proceedings of August 21,
13 2007. I have also considered the Arguments submitted by
14 Respondent and Complainant.

15 The following shall constitute the Decision of the Real
16 Estate Commissioner in this proceeding.

17 FACTUAL FINDINGS

18 1. On February 23, 2007, the Accusation, in Case No.
19 H-33783 LA, was made and subsequently filed by Complainant
20 Maria Suarez in her official capacity as Deputy Real Estate
21 Commissioner, Department of Real Estate (hereinafter
22 "Department"), State of California.

23 2. (A) On or about April 7, 2005, the Department
24 issued a real estate broker license (No. 00452964) and
25 licensing rights to Respondent. Respondent's broker license
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1 expires on April 6, 2009, unless renewed, and currently is in
2 full force and effect.

3 (B) On or about June 3, 2005, the Department
4 licensed Respondent as the designated officer of Fastrak
5 Funding, Inc., located at 1820 East First Street, Suite 110,
6 Santa Ana, California. On November 20, 2006, the designated
7 officer license was cancelled.

8 (C) At all times relevant herein, Respondent has
9 held licensing rights as a real estate broker under the Real
10 Estate Law. He has no prior disciplinary history with the
11 Department. Respondent was previously licensed as a real estate
12 salesperson in the 1980's but left the real estate profession for
13 approximately 20 years to enter the automotive industry.

14 3. (A) In or about 1983, Respondent was first licensed
15 as a vehicle salesperson by the Department of Motor Vehicles. He
16 worked at a Honda dealership in Gardena and with an automobile
17 leasing company. For approximately ten years, Respondent was the
18 finance director at the Toyota dealership in Garden Grove.
19 In August, 1998, he joined McKenna Motors in Norwalk and
20 Huntington Beach as the finance director. McKenna Motors was or
21 is a vehicle dealership that sells new and used foreign cars
22 under franchises with BMW, Audi, Porsche, and Volkswagen.

24 (B) As the dealership's finance director, Respondent
25 performed administrative functions related to the financing of
26 vehicles. He oversaw the funding of vehicle sales contracts by
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1 banks or lenders, negotiated with banks and lenders to obtain
2 financing, collected funds owed the dealership on the sale of
3 contracts to banks and lenders, and contacted customers when the
4 dealership or lenders needed documentation or payments.
5 Respondent also supervised several finance managers for the
6 dealership. He was not involved in the sales, or the negotiation
7 of terms for the sales, of automobiles by the vehicle
8 salespersons or the sales of insurance, warranties, or after-
9 market products by the finance managers.

10 4. (A) On December 13, 2001, the Task Force for
11 Regional Auto Theft Prevention executed a search warrant at the
12 BMW franchise of McKenna Motors and seized documents from the
13 dealership, including dealer jackets and/or files. Law
14 enforcement officials reviewed the documents and found evidence
15 of fraud committed against customers as well as forged college
16 diplomas that were used to secure financing for customers.
17

18 (B) On October 24, 2005, the Los Angeles County
19 District Attorney filed a Felony Complaint for Arrest Warrant in
20 the Superior Court of California, County of Los Angeles in
21 *People v. Stuart Alan Green, et al.*, Case No. BA 292126,
22 against two sales managers at McKenna Motors BMW, three finance
23 managers, and Respondent as finance director of the dealership.

24 (C) The felony complaint alleged that, between
25 January 1, 2000, and December 13, 2001, the two sales managers
26 structured or created financing and lease agreements for BMW
27

1 customers that constituted fraudulent transactions. The finance
2 managers purportedly completed paperwork, obtained customer
3 signatures on motor vehicle lease and sales contracts and related
4 agreements, and failed to disclose pertinent information on the
5 contracts to customers. For example, sales managers were alleged
6 to have made motor vehicle lease and purchase transactions in
7 which customers were unknowingly charged from \$495 to \$2,000 for
8 key chains and overcharged on service warranties. False income
9 information and forged college diplomas were allegedly placed on
10 credit applications and used to obtain financing for customers.
11 Respondent, as finance director, was alleged to have reviewed
12 documents for the sale or leasing of BMW vehicles, approved
13 financing and lease transactions that were fraudulent, submitted
14 the transactions to financial institutions, and discussed
15 fraudulent transactions with other managers. Specifically,
16 Respondent, in conjunction with other dealership employees, was
17 alleged to have committed conspiracy to defraud customers and
18 obtain money by false pretenses, 21 counts of grand theft, and 13
19 counts of forging college diplomas, which were all charged as
20 felonies.
21

22 5. (A) On or about March 23, 2006, before the Superior
23 Court of California, County of Los Angeles, in *People v. Stuart*
24 *Alan Green, et al.*, Case No. BA292126, the District Attorney
25 moved to amend, and the court amended, the criminal complaint by
26 interlineation to add count 36 as a violation of Penal Code
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1 section 182, subdivision (a)(1), "conspiracy to commit a crime",
2 a misdemeanor. Respondent then pled nolo contendere to count 36
3 of the complaint as amended and was convicted of conspiracy to
4 commit a crime in violation of Penal Code section 182,
5 subdivision (a)(1), a misdemeanor and crime involving moral
6 turpitude. Pursuant to the plea agreement, and on motion of the
7 District Attorney, the court dismissed the remaining 35 counts of
8 the criminal complaint against Respondent.

9 (B) As a result of his plea, the court suspended
10 imposition of sentence and placed Respondent on summary probation
11 for 12 months on condition, in part, that he pay a \$20 court
12 security assessment and a \$100 restitution fine, obey all laws
13 and orders of the court, and not own or use any dangerous
14 weapons.

15 (C) Respondent's conviction for conspiracy was for a
16 crime which by its elements was substantially related to the
17 qualifications, functions, or duties of a real estate salesperson
18 within the meaning of California Code of Regulations, Title 17,
19 Section 2910, Subdivision (a)(8). The offense of conspiracy to
20 commit a crime involves the doing of an unlawful act with the
21 intent of conferring a financial or economic benefit upon the
22 perpetrator. Honesty and integrity are qualities expected of a
23 real estate licensee. (See *Golde v. Fox* (1979) 98 Cal.App.3d
24 167.)
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1 6. (A) The general facts and circumstances of
2 Respondent's offense were that, between January 1, 2000, and
3 December 13, 2001, he conspired with two sales managers and three
4 finance managers at the McKenna Motors BMW dealership to commit a
5 crime. During this time period, the BMW dealership employed an
6 aggressive sales manager who engaged in questionable sales and
7 financing activities to increase vehicle sales. Respondent was
8 the finance director whose responsibility was to oversee the
9 financing and funding of vehicle sales transactions. The facts
10 and circumstances of Respondent's offense are based on his
11 written statements on the Conviction Detail Report, the amended
12 criminal complaint, and the court record of his plea and
13 conviction.

14 (B) It was not established that Respondent committed
15 conspiracy to defraud customers of property or to obtain money
16 and property by false pretenses or false promises with fraudulent
17 intent. Nor was it established that Respondent committed grand
18 theft or the counterfeiting of seals or college diplomas.
19 Respondent did not plead guilty or nolo contendere to any of the
20 original 35 counts of the felony complaint. He pled nolo
21 contendere to conspiracy to commit a crime. Neither the plea
22 agreement nor court docket described what crime Respondent
23 purportedly conspired to commit.

24 (C) As established by Respondent's testimony, the
25 other employees of McKenna Motors who were defendants in the
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1 criminal case were convicted of, or pled to, misdemeanor
2 conspiracy.

3 Mitigation

4 7. In mitigation of his offense and conviction, after
5 he learned from lenders that credit applications completed by the
6 sales managers contained false or different credit scores,
7 Respondent disclosed the discrepancies to the dealership's
8 general manager. Respondent expected the general manager to
9 correct the practices of the sales managers. The sales managers
10 worked in a different department of the dealership and Respondent
11 did not supervise them. As describe hereinabove, Respondent was
12 not involved in the sales of vehicles, the negotiation of sales
13 terms or financing with customers, or the sales of insurance,
14 warranties, or products. Respondent negotiated with lenders to
15 obtain loans to finance the sales or purchases of vehicles.
16

17 8. Respondent admits his misdemeanor conviction.
18 Respondent's plea and conviction are conclusive evidence of his
19 guilt and the conviction may not be impeached in an
20 administrative hearing; however, Respondent may introduce
21 evidence of extenuating circumstances, including mitigation or
22 explanation, as well as evidence of rehabilitation. (See Arneson
23 v. Fox (1980) 28 Cal.3d 440.) As a matter of explanation,
24 Respondent indicated on his Conviction Detail Report and
25 testified in the hearing that he did not commit any crime.
26 Respondent has stated that, after the District Attorney offered a
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1 misdemeanor plea and a 12-month probation, he decided to plead
2 nolo contendere to conspiracy to avoid the time and expense of
3 further criminal proceedings.

4 Rehabilitation

5 9. Criteria have been developed by the Department
6 pursuant to Business and Professions Code Section 482,
7 subdivision (b), for the purpose of evaluating the rehabilitation
8 of a licensee in considering whether or not to suspend or revoke
9 the licensee's license on account of a crime committed by the
10 licensee. These criteria, found at California Code of
11 Regulations, Title 10, Section 2912, are summarized as follows:

12 Subdivision (a) passage of at least two years since the
13 conviction;

14 Subdivision (b) restitution;

15 Subdivision (c) expungement of the conviction;

16 Subdivision (d) expungement of the requirement to
17 register as a sex offender;

18 Subdivision (e) completion of the criminal probation;

19 Subdivision (f) abstinence from drugs or alcohol that
20 contributed to the crime;

21 Subdivision (g) payment of any criminal fines or
22 penalties;

23 Subdivision (h) correction of business practices
24 responsible in some degree for the crime or crimes of which the
25 licensee was convicted;
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1 Subdivision (i) new and different social and business
2 relationships;

3 Subdivision (j) stability of family life and
4 fulfillment of parental and familial responsibilities subsequent
5 to the criminal conviction;

6 Subdivision (k) completion of, or sustained enrollment
7 in, formal educational or vocational training courses for
8 economic self-improvement;

9 Subdivision (l) significant involvement in community;
10 and

11 Subdivision (m) change in attitude from that which
12 existed at the time of the commission of the criminal acts in
13 question as evidenced by any or all of the following:

14 (1) Testimony of applicant.

15 (2) Evidence from family members, friends or
16 other persons familiar with the licensee's previous conduct and
17 with subsequent attitudes and behavioral patterns.

18 (3) Evidence from probation or parole officers or
19 law enforcement officials competent to testify as to applicant's
20 social adjustments.

21 (4) Evidence from psychiatrists, clinical
22 psychologists, sociologists or other persons competent to testify
23 with regard to neuropsychiatric or emotional disturbances.

24 (5) Absence of subsequent felony or misdemeanor
25 convictions that are reflective of an inability to conform to
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1 societal rules when considered in light of the conduct in
2 question.

3 10. Application of the Criteria of Rehabilitation as
4 set forth in Regulation 2912 reveals the following:

5 Regulation (a): Less than two years have passed since
6 Respondent's conviction on March 23, 2006.

7 Regulation (b): On April 3, 2006, Respondent paid the
8 \$20 court security assessment and the \$100 restitution fine.

9 Regulation (c): On January 23, 2007, the Superior
10 Court expunged Respondent's conviction under Penal Code Section
11 1203.4 by setting aside his plea, entering a plea of not guilty,
12 and dismissing the criminal case.

13 Regulation (d): Respondent was not required to
14 register pursuant to Section 204 of the Penal Code, so this
15 criteria is not applicable.

16 Regulation (e): On January 23, 2007, the Superior
17 Court terminated Respondent's probation early pursuant to Penal
18 Code Section 1203.2. However, compliance with probation "does
19 not necessarily prove anything but good sense." *Windham v. Board*
20 *of Medical Quality* (1980) 104 Cal.App.3d 461, 473.

21 Regulation (f): This criteria is not applicable.

22 Regulation (g): On April 3, 2006, Respondent paid the
23 \$20 court security assessment and the \$100 restitution fine.

24 Regulation (h): Respondent testified that he left his
25 employment with the McKenna Motors dealership in 2002 and worked
26 as the director of finance at Ford of Orange for one year.
27

1 Respondent then left the automotive industry and began working in
2 the mortgage industry.

3 Regulation (i): From October 2003 until April 2005,
4 Respondent worked as an agent with Pearson Financial, a mortgage
5 company in Huntington Beach. After issuance of his real estate
6 broker license in April 2005, Respondent became the broker and
7 designated corporate officer of Fasttrack Funding, a mortgage
8 brokerage firm. When he cancelled his corporate officer license
9 for Fasttrack Funding in November 2006, Respondent began doing
10 business as 311 Capital Marketing, Pacific Trust Mortgage, and
11 Pacific Trust Realty in Fountain Valley. He has approximately
12 four licensed real estate salespersons in his employ.

13 Regulation (j): Respondent has two adult children and
14 three grandchildren. Respondent testified that he has a good
15 relationship with his family. Respondent provided and helped pay
16 for full-time nursing care for his wife after she was diagnosed
17 with Amyotrophic Lateral Sclerosis ("ALS") in 2001. Respondent's
18 wife passed away over a year ago.

19 Regulation (k): Respondent attained a bachelor's
20 degree in finance from Ohio State University and a law degree
21 from the University of West Los Angeles. As a DMV licensee, he
22 worked in the automotive industry for over 20 years without any
23 disciplinary history. In late 2003, he allowed his vehicle
24 salesperson's license to lapse. Respondent completed the
25 mandatory education requirements for his real estate broker
26 license.
27

1 Regulation (1): Respondent devoted much time to his
2 ailing wife in her last years and has been involved in programs
3 for ALS.

4 Regulation (m)(1): Respondent candidly testified at
5 the hearing about his conviction. Respondent testified that he
6 did disclose the discrepancies in the credit applications to the
7 general manager of the McKenna Motors dealership and expected the
8 general manager to correct the practices of the sales managers.
9 Respondent expressed regret for not approaching the authorities.
10 The ALJ also found that as finance director for the dealership,
11 Respondent was not involved in the sales, or the negotiation of
12 the terms for the sales of the automobiles.

13 (2) Oral and documentary evidence was submitted from
14 various witnesses who attested to Respondent's honesty and
15 integrity.

16 (A) David Ham, a long-time friend and former
17 colleague, testified on behalf of Respondent.

18 (B) Everett William Hollingsworth, Jr., is a licensed
19 vehicle salesperson with a Chevrolet dealership in Costa Mesa.
20 Hollingsworth has known Respondent for 18 years. He found
21 Respondent to be a straight-forward and truthful person who had
22 to be assertive when dealing with lenders and banks.
23 Hollingsworth also holds a real estate salesperson license that
24 was issued under Respondent's broker license but does not use his
25 real estate license.
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1 (C) Rebecca Lynne Halstead, Respondent's step-
2 daughter, testified as a percipient and character witness. In
3 addition, Halstead has worked in the automotive industry in
4 various capacities for 15 years. Halstead started working at
5 McKenna Motors in or about February 1999 and worked at the
6 dealership on two or three occasions over three years until mid-
7 2002. At McKenna Motors and other dealerships, Halstead did not
8 observe Respondent to have done anything dishonest. Halstead was
9 not aware that a sales manager at McKenna Motors BMW was
10 falsifying information and confirms that it was not commonly
11 known at the dealership that the sales manager was engaged in
12 dishonest or unscrupulous activities. For his part, Respondent
13 did not review sales by the sales staff or financing arrangements
14 or sales by finance managers unless the transactions were returned
15 to the dealership by outside lenders due to problems or lack of
16 information.

17
18 (D) The ALJ held that, as established by the testimony
19 of Halstead, Hollingsworth, and Ham, Respondent had a reputation
20 in the automotive industry as a person of honesty and integrity.
21 Respondent was known to be somewhat gruff, for he always
22 expressed himself in a straight-forward and truthful manner. He
23 did not mince words. Respondent is also known to be intelligent
24 and knowledgeable in real estate and obtains repeat business and
25 referrals.

1 (E) Paul D. Pearson is a licensed real estate broker
2 who owns his own mortgage company called Pearson Financial in
3 Huntington Beach. Pearson testified that he employed Respondent
4 in his mortgage business for approximately 18 months before
5 Respondent started his own company. Pearson oversaw
6 approximately 12 mortgage transactions handled by Respondent and
7 found him to be trustworthy, honest, and fair with customers.
8 Pearson knows of Respondent's conviction, has not heard of any
9 complaints against him as a real estate licensee, and would work
10 with him again.

11 (F) In a letter dated March 28, 2007, Carol Haney of
12 Contract Processing by Carol in Huntington Beach states that she
13 has known Respondent for one and one-half years. She worked
14 with Respondent at a mortgage company; she was a loan processor
15 and he was a manager. Haney found Respondent to be
16 professional, honest, and forthcoming. She indicated that he
17 exhibited integrity and ethical behavior.

18 (G) On March 26, 2007, Jim Purcey of Huntington Beach
19 wrote that he is a close friend of Respondent. He has known
20 Respondent since 1985 and worked with him in the automotive
21 industry. Purcey holds Respondent in high esteem and considers
22 him to be a good and honorable man.

23 (H) John Wall is the next door neighbor and business
24 partner of Respondent. In addition, Respondent was the mortgage
25 broker for obtaining financing for three of Wall's investment
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1 clients and for three of Wall's personal transactions. For all
2 of these transactions, Wall found Respondent to have been a
3 gentleman of good moral character.

4 (I) Respondent also submitted letters of reference
5 from family members. His twin sister and nephew submitted
6 letters of reference attesting to Respondent's honesty and
7 integrity and his devotion to his family.

8 Respondent presented substantial evidence of
9 rehabilitation since his conviction. However, the appellate
10 court made it clear that rehabilitation, as a matter of law does
11 not exist. Rehabilitation is a component of penalty, which is
12 vested in the discretion of the Board, "subject only to 'manifest
13 abuse'" *Windham, id.* at 473, quoting *Cadilla v. Medical Board of*
14 *Examiners* (1972) 26 Cal.App.3d at 968. See also, *In re Menna,*
15 (1995) 11 Cal.4th 975; *Seide v. Committee of Bar Examiners* (1989)
16 49 Cal.3d 933.

18 LEGAL CONCLUSIONS

19 1. Grounds exist to revoke or suspend Respondent's
20 real estate broker license under Business and Professions Code
21 Section 10177, Subdivision (b), and Section 490, for conviction
22 of a crime involving moral turpitude which is substantially
23 related to the qualifications, functions, or duties of a real
24 estate licensee, based on Findings 5 and 6 above.

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26 ///

Licensee Responsibilities

2. Honesty and truthfulness are attributes required of a real estate licensee because they are fiduciaries in their dealings with the public. A real estate license by its very nature gives the licensee access to the personal information, funds, and property of those who seek the licensee's services. Clients rely on the licensee's integrity in representing them, disclosing important facts about the properties and information he or she is privy to and holding monies and other personal property in a fiduciary capacity.

The Legislature intended to ensure that real estate brokers and salespersons will be honest, truthful and worthy of the fiduciary responsibilities which they will bear. (*Ring v. Smith* (1970) 5 Cal.App.3rd 197, 205, *Golde v Fox* (1976) 98 Cal.App.3d, 167, 177.). *Harrington v. Department of Real Estate* (1989) 214 Cal.App.3d, 394, 402.

3. The Real Estate Law and the disciplinary procedures provided for in the Real Estate Law are designed to protect the public and to achieve the maximum protection for the purchasers of real property and those dealing with real estate licensees (Business and Professions Code Section 10050 and *Handeland v. Department of Real Estate* (1976) 58 Cal.App.3d 513.)

4. Real estate licensees occupy a unique position of trust and responsibility toward the consuming public. They function with little supervision. The possession of a real estate license, even a license issued on a restricted basis, entitles the holder access to the homes and property of others without supervision. Such licensees must be trustworthy. The

1 public is entitled to reasonable assurance that persons to whom
2 real estate licenses are issued are persons that can be relied
3 upon and that they can be trusted with such access and that their
4 personal property is safe with licensees.

5 5. Temptations to "bend the rules" or otherwise
6 engage in dishonest dealing abound. We cannot know with
7 certainty that Respondent will not commit another offense; thus,
8 his licensure, without any supervision, poses a risk to the
9 public interest.

10 6. Respondent suffered his misdemeanor conviction in
11 March 2006, which was less than two years ago. And, he has been
12 licensed as a real estate broker for only two and one-half years.
13 While his conviction appears to have been an isolated incident
14 with little chance of being repeated and the purported offense
15 occurred several years ago in a different licensed capacity,
16 Respondent's plea and conviction and the murky circumstances of
17 the alleged illegal activities at the dealership do raise the
18 issue whether Respondent would benefit from further direction as
19 a relatively new licensee.

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1 7. Real estate licensees occupy a unique position of
2 trust and responsibility toward the consuming public. They
3 function with little or no supervision. The possession of a real
4 estate license, even a license issued on a restricted basis,
5 entitles the holder access to the homes and property of others
6 without supervision. Such licensees must be trustworthy. The
7 public is entitled to assurance that persons to whom real estate
8 licenses are issued are persons that can be relied upon and that
9 they can be trusted.

10 8. The ALJ made it clear that the Complainant met
11 its burden in establishing that grounds exist to revoke or
12 otherwise discipline Respondent's real estate license. That
13 having been met, the degree of discipline rests solely with the
14 Commissioner (*Golde v. Fox* (1979) 98 Cal.App.3d 167, 178). Under
15 Business and Professions Code Section 10177, the degree of
16 discipline is a matter that is within the discretion of the Real
17 Estate Commissioner. While reasonable minds may differ as to the
18 propriety of penalty given, the degree of penalty is squarely
19 within the Commissioner's discretion. *Golde v. Fox* (1979) 98
20 Cal.App.3d 167, 189.

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1 The following order is consistent with the protection
2 of the public interest.

3 ORDER

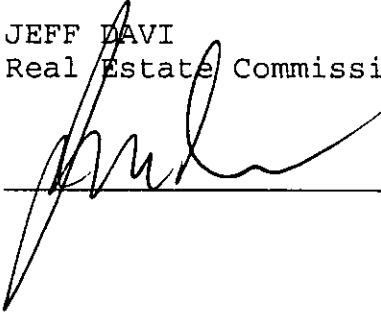
4 WHEREFORE, THE FOLLOWING ORDER is hereby made:

5 All licenses and licensing rights of Respondent JACK
6 PITT under the Real Estate Law are revoked.

7 The right to reinstatement of a revoked real estate
8 license is controlled by Section 11522 of the Government Code.
9 A copy of Section 11522 and a copy of the Commissioner's Criteria
10 of Rehabilitation are attached hereto for the information of
11 Respondent.

12 This Decision shall become effective at 12 o'clock noon
13 on March 26, 2008.

14 IT IS SO ORDERED 2/27/08

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16 JEFF DAVI
17 Real Estate Commissioner
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By C. J. [Signature]

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No. H-33783 LA

L-2007040727

In accordance with Section 1151.7(c) of the Government Code of the State of California, the disposition of this case will be determined by me after consideration of the record herein including the transcript of the proceedings held on August 21, 2007, any written argument hereafter submitted on behalf of Respondent and Complainant.

1 Written argument of Respondent to be considered by me
2 must be submitted within 15 days after receipt of the transcript
3 of the proceedings of August 21, 2007, at the Los Angeles office
4 of the Department of Real Estate unless an extension of the time
5 is granted for good cause shown.

6 Written argument of Complainant to be considered by me
7 must be submitted within 15 days after receipt of the argument of
8 Respondent at the Los Angeles office of the Department of Real
9 Estate unless an extension of the time is granted for good cause
10 shown.

11 DATED: _____

10-21-07

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13 JEFF DAVI
14 Real Estate Commissioner
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BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation
Against:

JACK PITT,

Respondent.

Case No. H-33783 LA

OAH No. L-2007040727

PROPOSED DECISION

This matter was heard by Vincent Nafarrete, Administrative Law Judge of the Office of Administrative Hearings, on August 21, 2007, in Los Angeles. Complainant was represented by Lissete Garcia, Real Estate Counsel. Respondent was present and represented by Frank M. Buda, Attorney at Law.

Oral and documentary evidence having been received and the matter submitted for decision, the Administrative Law Judge finds as follows:

FINDINGS OF FACT

1. The Administrative Law Judge takes official notice that, on February 23, 2007, the Accusation, Case No. H-33783 LA, was made and filed by complainant Maria Suarez in her official capacity as Deputy Real Estate Commissioner, Department of Real Estate, State of California.

2. (A) On or about April 7, 2005, the Department issued a real estate broker's license no. 00452964 and licensing rights to Jack Pitt (hereinafter respondent). Respondent's broker's license expires on April 6, 2008, unless renewed, and currently is in full force and effect.

(B) On or about June 3, 2005, the Department licensed respondent as the designated officer of Fastrak Funding, Inc., located at 1820 East First Street, Suite 110, Santa Ana, California. On November 20, 2006, the designated officer license was cancelled.

(C) At all times relevant herein, respondent has held licensing rights as a real estate broker under the Real Estate Law. He has no prior disciplinary history

with the Department. Respondent was previously licensed as a real estate salesperson in the 1980's but left the real estate profession for approximately 20 years to enter the automotive industry.

3. (A) In or about 1983, respondent was first licensed as a vehicle salesperson by the Department of Motor Vehicles. He has worked at a Honda dealership in Gardena and with an automobile leasing company. For approximately ten years, respondent was the finance director at the Toyota dealership in Garden Grove. In August 1998, he joined McKenna Motors in Norwalk and Huntington Beach as the finance director. McKenna Motors was or is a vehicle dealership that sells new and used foreign cars under franchises with BMW, Audi, Porsche, and Volkswagen.

(B) As the dealership's finance director, respondent performed administrative functions related to the financing of vehicles. He oversaw the funding of vehicle sales contracts by banks or lenders, negotiated with banks and lenders to obtain financing, collected funds owed the dealership on the sale of contracts to banks and lenders, and contacted customers when the dealership or lenders needed documentation or payments. Respondent also supervised several finance managers for the dealership. He was not involved in the sales, or the negotiation of terms for the sales, of automobiles by the vehicle salespersons or the sales of insurance, warranties, or after-market products by the finance managers.

4. (A) On December 13, 2001, the Task Force for Regional Auto Theft Prevention executed a search warrant at the BMW franchise of McKenna Motors and seized documents from the dealership, including dealer jackets or files. Law enforcement officials reviewed the documents and found evidence of fraud committed against customers as well as forged college diplomas that were used to secure financing for customers.

(B) On October 24, 2005, the Los Angeles County District Attorney filed a Felony Complaint for Arrest Warrant in the Superior Court of California, County of Los Angeles in *People v. Stuart Alan Green, et al.*, Case No. BA 292126, against two sales managers at McKenna Motors BMW, three finance managers, and respondent as finance director of the dealership.

(C) The felony complaint alleged that, between January 1, 2000, and December 13, 2001, the two sales managers structured or created financing and lease agreements for BMW customers that constituted fraudulent transactions. The finance managers purportedly completed paperwork, obtained customer signatures on motor vehicle lease and sales contracts and related agreements, and failed to disclose pertinent information on the contracts to customers. For example, sales managers were alleged to have made motor vehicle lease and purchase transactions in which customers were unknowingly-charged from \$495 to \$2,000 for key chains and overcharged on service warranties. False income information and forged college

diplomas were allegedly placed on credit applications and used to obtain financing for customers. Respondent as finance director was alleged to have reviewed documents for the sale or leasing of BMW vehicles, approved financing and lease transactions that were fraudulent, submitted the transactions to financial institutions, and discussed fraudulent transactions with other managers. Specifically, respondent in conjunction with other dealership employees was alleged to have committed conspiracy to defraud customers and obtain money by false pretenses, 21 counts of grand theft, and 13 counts of forging college diplomas, which were all charged as felonies.

5. (A) On or about March 23, 2006, before the Superior Court of California, County of Los Angeles, in *People v. Stuart Alan Green, et al.*, Case No. BA292126, the District Attorney moved to amend, and the court amended, the criminal complaint by interlineation to add count 36 as a violation of Penal Code section 182, subdivision (a)(1), "conspiracy to commit a crime", a misdemeanor. Respondent then pled nolo contendere to count 36 of the complaint as amended and was convicted of conspiracy to commit a crime in violation of Penal Code section 182, subdivision (a)(1), a misdemeanor and crime involving moral turpitude. Pursuant to the plea agreement, and on motion of the District Attorney, the court dismissed the remaining 35 counts of the criminal complaint against respondent.

(B) As a result of his plea, the court suspended imposition of sentence and placed respondent on summary probation for 12 months on condition, in part, that he pay a \$20 court security assessment and a \$100 restitution fine, obey all laws and orders of the court, and not own or use any dangerous weapons.

(C) Respondent's conviction for conspiracy was for a crime which by its elements was substantially related to the qualifications, functions, or duties of a real estate salesperson within the meaning of California Code of Regulations, title 17, section 2910, subdivision (a)(8). The offense of conspiracy to commit a crime involves the doing of an unlawful act with the intent of conferring a financial or economic benefit upon the perpetrator. Honesty and integrity are qualities expected of a real estate licensee. (See *Golde v. Fox* (1979) 98 Cal.App.3d 167.)

6. (A) The general facts and circumstances of respondent's offense were that, between January 1, 2000, and December 13, 2001, he conspired with two sales managers and three finance managers at the McKenna Motors BMW dealership to commit a crime. During this time period, the BMW dealership employed an aggressive sales manager who engaged in questionable sales and financing activities to increase vehicle sales. Respondent was the finance director whose responsibility was to oversee the financing and funding of vehicle sales transactions. The facts and circumstances of respondent's offense are based on his written statements on the Conviction Detail Report, the amended criminal complaint, and the court record of his plea and conviction.

(B) It was not established that respondent committed conspiracy to defraud customers of property or to obtain money and property by false pretenses or false promises with fraudulent intent. Nor was it established that respondent committed grand theft or the counterfeiting of seals or college diplomas. Respondent did not plead guilty or nolo contendere to any of the original 35 counts of the felony complaint. He pled nolo contendere to conspiracy to commit a crime. Neither the plea agreement nor court docket described what crime respondent purportedly conspired to commit.

(C) As established by respondent's testimony, the other employees of McKenna Motors who were defendants in the criminal case were convicted of, or pleaded to, misdemeanor conspiracy.

7. In mitigation of his offense and conviction, after he learned from lenders that credit applications completed by the sales managers contained false or different credit scores, respondent disclosed the discrepancies to the dealership's general manager. Respondent expected the general manager to correct the practices of the sales managers. The sales managers worked in a different department of the dealership and respondent did not supervise them. As describe hereinabove, respondent was not involved in the sales of vehicles, the negotiation of sales terms or financing with customers, or the sales of insurance, warranties, or products. Respondent negotiated with lenders to obtain loans to finance the sales or purchases of vehicles.

Rehabilitation

8. (A) On April 3, 2006, respondent paid the \$20 court security assessment and the \$100 restitution fine.

(B) On January 23, 2007, the Superior Court terminated respondent's probation early pursuant to Penal Code section 1203.2. The court also expunged respondent's conviction under Penal Code section 1203.4 by setting aside his plea, entering a plea of not guilty, and dismissing the criminal case.

9. (A) Respondent admits his misdemeanor conviction. His plea and conviction are conclusive evidence of his guilt and the conviction may not be impeached in this administrative hearing; however, respondent may introduce evidence of extenuating circumstances, including mitigation or explanation, as well as evidence of rehabilitation. (See *Arneson v. Fox* (1980) 28 Cal.3d 440.) As a matter of explanation, respondent has indicated on his Conviction Detail Report and testified in the hearing that he did not commit any crime. Respondent has stated that, after the District Attorney offered a misdemeanor plea and a 12-month probation, he decided to plead nolo contendere to conspiracy to avoid the time and expense of further criminal proceedings.

10. In April 2002, respondent left the employ of McKenna Motors and was the director of finance at Ford of Orange for one year.

11. (A) Respondent attained a bachelor's degree in finance from Ohio State University and a law degree from the University of West Los Angeles. As a DMV licensee, he worked in the automotive industry for over 20 years without any disciplinary history. In April 2002, he left the employ of McKenna Motors. He then worked for one year at the Ford of Orange dealership as a finance director. In late 2003, he allowed his vehicle salesperson's license to lapse.

(B) From October 2003 until April 2005, respondent worked as an agent with Pearson Financial, a mortgage company in Huntington Beach. After issuance of his real estate broker's license in April 2005, respondent became the broker and designated corporate officer of Fasttrack Funding, a mortgage brokerage firm. When he cancelled his corporate officer license for Fasttrack Funding in November 2006, respondent began doing business as 311 Capital Marketing, Pacific Trust Mortgage, and Pacific Trust Realty in Fountain Valley. He has approximately four licensed real estate salespersons in his employ. Respondent has completed real estate courses for issuance and renewal of his broker's license.

12. (A) David Ham, a long-time friend and former colleague, testified on behalf of respondent. In 1982, Ham hired respondent to work at an automotive dealership and they worked together for three years. Respondent also married a close friend of Ham's wife in 1984. Respondent and Ham also worked at the same Toyota dealership in Cerritos for a short time in 1987. For over 20 years, Ham has always found respondent to be honest, truthful, and professional in their dealings with each other. In late 2005, respondent discussed his conviction and told Ham that he was not directly involved with sales at the McKenna Motors dealership.

(B) Everett William Hollingsworth, Jr., is a licensed vehicle salesperson with a Chevrolet dealership in Costa Mesa. Hollingsworth has known respondent for 18 years. They worked together at the Toyota dealership in Garden Grove. He did not see respondent commit any false or dishonest acts at that dealership. He found respondent to be a straight-forward and truthful person who had to be assertive when dealing with lenders and banks. Hollingsworth also holds a real estate salesperson license that was issued under respondent's broker's license but does not use his real estate license.

13. (A) Rebecca Lynne Halstead, respondent's step-daughter, testified as a percipient and character witness. Respondent raised Halstead after marrying her mother in 1982 when she was 12 years old. In addition, Halstead has worked in the automotive industry in various capacities for 15 years. Currently, she works as a sales representative in the automotive loan division of a major financing company. Previously, she worked as a finance manager under respondent's supervision for five

years at a Toyota dealership in Garden Grove, a Ford dealership in Orange, and McKenna Motors.

(B) Halstead started working at McKenna Motors in or about February 1999 and worked at the dealership on two or three occasions over three years until mid-2002. At McKenna Motors and other dealerships, Halstead did not observe respondent to have done anything dishonest. Halstead was not aware that sales manager at McKenna Motors BMW was falsifying information and confirms that it was not commonly known at the dealership that the sales manager was engaged in dishonest or unscrupulous activities. For his part, respondent did not review sales by the sales staff or financing arrangements or sales by finance managers unless the transactions were returned to the dealership by outside lenders due to problems or lack of information.

14. As established by the testimony of Halstead, Hollingsworth, and Ham, respondent had a reputation in the automotive industry as a person of honesty and integrity. Respondent was known to be somewhat gruff, for he always expressed in himself in a straight-forward and truthful manner. He did not mince words. Respondent is also known to be intelligent and knowledgeable in real estate and obtains repeat business and referrals. He is a good father and grandfather who took care of his wife in her illness.

15. (A) Paul D. Pearson is a licensed real estate broker who owns his own mortgage company called Pearson Financial in Huntington Beach. Pearson employed respondent in his mortgage business for approximately 18 months before respondent started his own company. Pearson oversaw approximately 12 mortgage transactions handled by respondent and found him to be trustworthy, honest, and fair with customers. Pearson knows of respondent's conviction, has not heard of any complaints against him as a real estate licensee, and would work with him again.

(B) In a letter dated March 28, 2007, Carol Haney of Contract Processing by Carol in Huntington Beach states that she known respondent for one and one-half years. She worked with respondent at a mortgage company; she was a loan processor and he was a manager. Haney found respondent to be professional, honest, and forthcoming. She indicated that he exhibited integrity and ethical behavior.

(C) On March 26, 2007, Jim Purcey of Huntington Beach wrote that he is a close friend of respondent. He has known respondent since 1985 and worked with him in the automotive industry. Purcey holds respondent in high esteem and considers him to be good and honorable man.

(D) John Wall is the next door neighbor and business partner of respondent. In addition, respondent was the mortgage broker for obtaining financing for three of Wall's investment clients and for three of Wall's personal transactions.

For all of these transactions, Wall found respondent to have been a gentleman of good moral character.

16. (A) Respondent has submitted letters of reference from family members. His twin sister, Sylvia Butler, states that she always has had close relationship with him. She corroborates that respondent was devoted to his wife and provided comfort to her until her passing. Like his other references, Butler is aware of his conviction but states that he is an honest and truthful as well as a caring and loving individual.

(B) In a letter dated March 29, 2007, respondent's nephew, Todd Butler of Ohio, writes that his uncle has high moral and ethical standards. The nephew indicates that respondent persevered through his wife's illness and showed how important it is to be diligent and caring towards one's family.

(C) Jason Halstead is respondent's stepson. Halstead attests that respondent acted as his father for over 20 years and taught him the meaning of integrity and honest in business and family affairs.

17. Respondent is 60 years old and has two adult children and three grandchildren. He has a good relationship with his family. He has no other criminal history. One of the reasons that he left the automotive industry in June 2003 was to spend more time with his wife who was diagnosed in December 2001 with Amyotrophic Lateral Sclerosis, also known as Lou Gehrig's Disease. Respondent provided and helped pay for full-time nursing care for his wife so that she could live in their home. His wife passed away one year ago. Due to his wife's illness, respondent attended meetings and events for ALS. He continues to donate to charities for ALS patients.

* * * * *

Based on the foregoing findings of fact, the Administrative Law Judge makes the following determination of issues:

CONCLUSIONS OF LAW

1. Grounds exist to revoke or suspend respondent's real estate broker's license under Business and Professions Code section 10177, subdivision (b), and section 490, for conviction of a crime involving moral turpitude and substantially related to the qualifications, functions, or duties of a real estate licensee, based on Findings 3 – 6 above.

2. Rehabilitation—Respondent has presented substantial evidence of his rehabilitation from his misdemeanor conviction for conspiracy to commit a crime, which meets several of the criteria set forth in California Code of Regulations, title 10, section 2911, based on Findings 3(A), 6(B), and 7 – 17 above.

Respondent paid the court-ordered fine. He was discharged from probation early and, ten months after his conviction, had his conviction expunged by the court. Based on the imposition of a 12-month informal probation, including payment of \$120 in a fee and fine, and the early termination of probation and expungement of the conviction, it is clear that the court considered respondent's crime of conspiracy to commit a crime to have been a minor offense.

Since the commission of respondent's offense six years ago in the years 2000 and 2001, respondent has changed jobs and professions. He is no longer employed as a finance director at the vehicle dealership where the suspect sales and financing activities purportedly occurred. In fact, respondent left the automotive industry altogether in 2002. He completed courses and work in the field of real estate. Although he left his 21-year career in the automotive industry, respondent departed his former profession with his reputation for honesty and integrity intact and has transferred that excellent reputation to his work as a real estate licensee, as attested by several friends, colleagues, and family members. In addition, respondent has a close and stable family life. He devoted much time to his ailing wife in her last years and has been involved in programs for ALS.

On the other hand, respondent suffered his misdemeanor conviction in March 2006, which was less than two years ago. And, he has been licensed as a real estate broker for only two and one-half years. While his conviction appears to have been an isolated incident with little chance of being repeated and the purported offense occurred several years ago in a different licensed capacity, respondent's plea and conviction and the murky circumstances of the alleged illegal activities at the dealership do raise the issue whether respondent would benefit from further direction as a relatively new licensee. Public interest and welfare thus dictate that respondent complete a course in professional ethics and pass the Professional Responsibility Examination.

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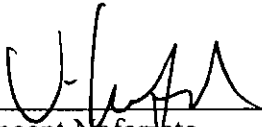
Wherefore, the following Order is hereby made:

ORDER

All real estate licenses and licensing rights of respondent Jack Pitt shall be suspended for sixty days from the effective date of this Decision, based on Conclusions of Laws 1 – 2, jointly and for all; provided, however, said order of suspension will be stayed for one (1) year 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 license in the State of California.
2. Respondent shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that respondent has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If respondent fails to satisfy this condition, the Commissioner may order the suspension of respondent's license until respondent presents such evidence.
3. Respondent shall, within six months from the effective date of this Decision, enroll in and take a course in professional ethics. The course must be first approved by the Commissioner and the failure to take the course will constitute grounds for the reimposition of all or a portion of the stayed suspension
4. Respondent shall, within six months from the effective date of this Decision, take and pass the Professional Responsibility Examination administered by the Department including the payment of the appropriate examination fee. If respondent fails to satisfy this condition, the Commissioner may vacate and set aside the stay order and reimpose all or a portion of the stayed suspension.
5. No final subsequent determination shall be made, after hearing or upon stipulation, that cause for disciplinary action occurred within one (1) year of the effective date of this Decision. Should such determination be made, the Commissioner may, in his or her 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 herein shall become permanent.

Dated: Sept. 19, 2007



Vincent Nafarrete
Administrative Law Judge
Office of Administrative Hearings

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LISSETE GARCIA, Counsel (SBN 211552)
Department of Real Estate
320 West 4th Street, Suite 350
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Telephone: (213) 576-6982
(Direct) (213) 576-6914

FILED
MAR - 5 2007
DEPARTMENT OF REAL ESTATE

By C. B.

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) NO. H-33783 LA
JACK PITT,) A C C U S A T I O N
Respondent.)

The Complainant, Maria Suarez, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against JACK PITT ("Respondent"), is informed and alleges in her
official capacity as follows:

I

At all times herein mentioned, Respondent was and is
presently licensed by the Department of Real Estate of the State
of California ("Department") as a real estate broker under the
Real Estate Law, Part 1 of Division 4 of the California Business
and Professions Code ("Code").

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II

Respondent, pursuant to the provisions of Code Section 10153.3, was originally licensed as a broker with the Department on or about April 7, 2005.

III

On or about March 23, 2006, in the Superior Court of California, County of Los Angeles, in Case No. BA292126, Respondent pled nolo contendere as part of a plea bargain and was convicted of violating one count of California Penal Code Section 182(A)(1) (conspiracy to commit a crime), a misdemeanor. The underlying facts of said crime involve moral turpitude and bear a substantial relationship under Section 2910, Title 10, Chapter 6, California Code of Regulations, to the qualifications, functions or duties of a real estate licensee.

IV

The crime of which Respondent was convicted, as alleged in Paragraph III above, constitutes cause under Code Sections 490 and 10177(b) for the suspension or revocation of all licenses and license rights of Respondent under the Real Estate Law.

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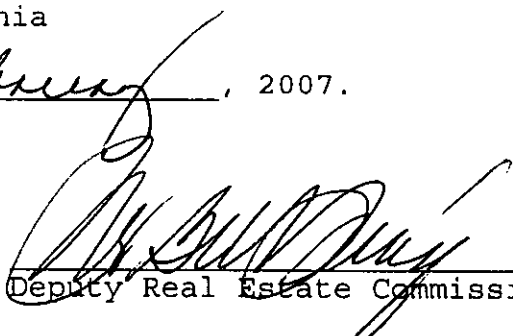
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and, that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and/or license rights of Respondent,
5 JACK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

9 Dated at Los Angeles, California

10 this 23rd day of February, 2007.

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14 Deputy Real Estate Commissioner
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24 cc: Jack Pitt
25 Sacto.
26 Maria Suarez
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