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FILED

JAN 17 2008

DEPARTMENT OF REAL ESTATE

BY: H. Green

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

4 (213) 576-6918
5
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7

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)

No. H-34119 LA

12 DOV SANDLER, doing business as)

STIPULATION

13 Village Rental & Management)

AND

14 and Heritage Brokers,)

AGREEMENT

15 Respondent.)

16 It is hereby stipulated by and between Respondent
17 DOV SANDLER, (sometimes referred to as "Respondent") represented
18 by Robert Forgonne, Esq., and the Complainant, acting by and
19 through Elliott Mac Lennan, Counsel for the Department of Real
20 Estate, as follows for the purpose of settling and disposing of
21 the Accusation ("Accusation") filed on July 17, 2007, in this
22 matter:

23 1. All issues which were to be contested and all
24 evidence which was to be presented by Complainant and Respondent
25 at a formal hearing on the Accusation, which hearing was to be
26 held in accordance with the provisions of the Administrative
27 Procedure Act ("APA"), shall instead and in place thereof be

1 submitted solely on the basis of the provisions of this
2 Stipulation and Agreement ("Stipulation").

3 2. Respondent has received, read and understands the
4 Statement to Respondent, the Discovery Provisions of the APA and
5 the Accusation filed by the Department of Real Estate in this
6 proceeding.

7 3. Respondent timely filed a Notice of Defense
8 pursuant to Section 11506 of the Government Code for the purpose
9 of requesting a hearing on the allegations in the Accusation.
10 Respondent hereby freely and voluntarily withdraws said Notice of
11 Defense. Respondent acknowledges that he understands that by
12 withdrawing said Notice of Defense he thereby waives his right to
13 require the Commissioner to prove the allegations in the
14 Accusation at a contested hearing held in accordance with the
15 provisions of the APA and that he will waive other rights
16 afforded to him in connection with the hearing such as the right
17 to present evidence in his defense and the right to cross-examine
18 witnesses.
19

20 4. This Stipulation is based on the factual
21 allegations contained in the Accusation. In the interest of
22 expedience and economy, Respondent chooses not to contest these
23 allegations, but to remain silent and understands that, as a
24 result thereof, these factual allegations, without being admitted
25 or denied, will serve as a prima facie basis for the disciplinary
26 action stipulated to herein. The Real Estate Commissioner shall
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1 not be required to provide further evidence to prove said factual
2 allegations.

3 5. This Stipulation and Respondent's decision not to
4 contest the Accusation is made for the purpose of reaching an
5 agreed disposition of this proceeding and is expressly limited to
6 this proceeding and any other proceeding or case in which the
7 Department of Real Estate ("Department"), the state or federal
8 government, or any agency of this state, another state or federal
9 government is involved, and otherwise shall not be admissible in
10 any other criminal or civil proceedings.

11 6. It is understood by the parties that the Real
12 Estate Commissioner may adopt this Stipulation as his Decision in
13 this matter thereby imposing the penalty and sanctions on
14 Respondent's real estate licenses and license rights as set forth
15 in the "Order" herein below. In the event that the Commissioner
16 in his discretion does not adopt the Stipulation, it shall be
17 void and of no effect and Respondent shall retain the right to a
18 hearing and proceeding on the Accusation under the provisions of
19 the APA and shall not be bound by any stipulation or waiver made
20 herein.
21

22 7. The Order or any subsequent Order of the Real
23 Estate Commissioner made pursuant to this Stipulation shall not
24 constitute an estoppel, merger or bar to any further
25 administrative or civil proceedings by the Department of Real
26 Estate with respect to any matters which were not specifically
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1 alleged to be causes for Accusation in this proceeding but do
2 constitute a bar, estoppel and merger as to any allegations
3 actually contained in the Accusations against Respondent herein.

4 8. Respondent understands that by agreeing to this
5 Stipulation, Respondent agrees to pay, pursuant to Business and
6 Professions Code Section 10148, the cost of audit which led to
7 this disciplinary action. The total amount of said cost is
8 \$15,080.36.

9 9. Respondent has received, read, and understands the
10 "Notice Concerning Costs of Subsequent Audit". Respondent
11 further understands that by agreeing to this Stipulation, the
12 findings set forth below in the Determination of Issues become
13 final, and the Commissioner may charge Respondent for the cost of
14 any subsequent audit conducted pursuant to Business and
15 Professions Code Section 10148 to determine if the violations
16 have been corrected. The maximum cost of the subsequent audit
17 will not exceed \$15,080.36.
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DETERMINATION OF ISSUES

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

I.

The conduct of DOV SANLDER as described in Paragraph 4, above, is in violation of Business and Professions Code Sections 10145 and Sections 2832.1, 2831.2 and 2834 of Title 10, Chapter 6 of the California Code of Regulations and is a basis for discipline of Respondent's license and license rights as violations of the Real Estate Law pursuant to Code Section 10177(d).

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I. All licenses and licensing rights of Respondent DOV SANLDER under the Real Estate Law are suspended for a period of ninety (90) days from the effective date of this Decision.

A. Provided, however, that if Respondent requests, the initial forty five (45) days of said suspension (or a portion thereof) shall be stayed for two (2) years upon condition that:

1. Respondent pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of \$100.00 per day for each day of the suspension for a total monetary penalty of Four Thousand Five Hundred Dollars (\$4,500).

2. Said payment shall be in the form of a cashier's check or certified check made payable to the Recovery Account of

1 the Real Estate Fund. Said check must be received by the
2 Department prior to the effective date of the Decision in this
3 matter.

4 3. No further cause for disciplinary action against
5 the real estate license of Respondent occurs within two (2) years
6 from the effective date of the Decision in this matter.

7 4. If Respondent fails to pay the monetary penalty in
8 accordance with the terms of the Decision, the Commissioner may,
9 without a hearing, order the immediate execution of all or any
10 part of the stayed suspension, in which event the Respondent
11 shall not be entitled to any repayment nor credit, prorated or
12 otherwise, for money paid to the Department under the terms of
13 this Decision.

14 5. If Respondent pays the monetary penalty and if no
15 further cause for disciplinary action against the real estate
16 license of Respondent occurs within two (2) years from the
17 effective date of the Decision, the stay hereby granted shall
18 become permanent.

19 6. The remaining forty five (45) days of the ninety
20 (90) day suspension shall be stayed for two (2) years upon the
21 following terms and conditions:

22 (a) Respondent shall obey all laws, rules and
23 regulations governing the rights, duties and responsibilities of
24 a real estate licensee in the State of California; and
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1 (b) That no final subsequent determination be made
2 after hearing or upon stipulation, that cause for disciplinary
3 action occurred within two (2) years of the effective date of
4 this Decision. Should such a determination be made, the
5 Commissioner may, in his discretion, vacate and set aside the
6 stay order and reimpose all or a portion of the stayed
7 suspension. Should no such determination be made, the stay
8 imposed herein shall become permanent.

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

21 III. Respondent DOV SANDLER shall within six (6)
22 months from the effective date of the restricted license, take
23 and pass the Professional Responsibility Examination administered
24 by the Department including the payment of the appropriate
25 examination fee. If Respondent fails to satisfy this condition,
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1 the Commissioner may order suspension of Respondent's license
2 until Respondent passes the examination.

3 IV. Pursuant to Section 10148 of the Business and
4 Professions Code, Respondent DOV SANLDER shall pay the
5 Commissioner's reasonable cost for (a) the audit which led to
6 this disciplinary action (b) a subsequent audit to determine if
7 Respondents are now in compliance with the Real Estate Law. The
8 cost of the audit which led to this disciplinary action is
9 \$15,080.36. In calculating the amount of the Commissioner's
10 reasonable cost, the Commissioner may use the estimated average
11 hourly salary for all persons performing audits of real estate
12 brokers, and shall include an allocation for travel time to and
13 from the auditor's place of work. Said amount for the prior and
14 subsequent audits shall not exceed \$30,160.72.

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

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

3 V. Prior to the effective of the Decision herein,
4 Respondents shall first provide evidence satisfactory to the
5 Commissioner that they have restored marked-up maintenance and
6 management fees set forth in Audit Report LA 040202, Issue Two in
7 the amount of \$2,097.88.

8 VI. Prior to the effective of the Decision herein,
9 Respondents shall first provide evidence satisfactory to the
10 Commissioner that they have restored funds commingled as forth in
11 Audit Report LA 040202, Issue Three in the amount of \$6,437.67.

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14 DATED: 10-18-07

15 EJL
ELLIOTT MAC LENNAN, Counsel for
16 the Department of Real Estate

17 * * *

18 EXECUTION OF THE STIPULATION

19 I have read the Stipulation and discussed with my
20 counsel. Its terms are understood by me and are agreeable and
21 acceptable to me. I understand that I am waiving rights given to
22 me by the California Administrative Procedure Act (including but
23 not limited to Sections 11506, 11508, 11509 and 11513 of the
24 Government Code), and I willingly, intelligently and voluntarily
25 waive those rights, including the right of requiring the
26 Commissioner to prove the allegations in the Accusation at a
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1 hearing at which I would have the right to cross-examine
2 witnesses against me and to present evidence in defense and
3 mitigation of the charges.

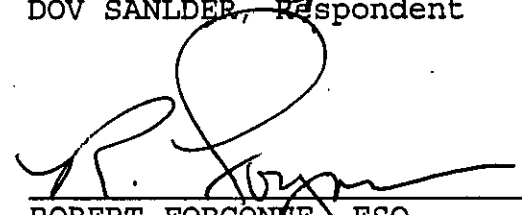
4 MAILING AND FACSIMILE

5 Respondent (1) shall mail the original signed signature
6 page of the stipulation herein to Elliott Mac Lennan: Attention:
7 Legal Section, Department of Real Estate, 320 W. Fourth St.,
8 Suite 350, Los Angeles, California 90013-1105. Additionally,
9 Respondent shall also (2) facsimile a copy of signed signature
10 page, to the Department at the following telephone/fax number:
11 (213) 576-6917, Attention: Elliott Mac Lennan. A facsimile
12 constitutes acceptance and approval of the terms and conditions
13 of this stipulation. Respondent agrees, acknowledges and
14 understands that by electronically sending to the Department a
15 facsimile copy of Respondent's actual signature as it appears on
16 the stipulation, that receipt of the facsimile copy by the
17 Department shall be as binding on Respondent as if the Department
18 had received the original signed stipulation.
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21 DATED: 10-26-07


DOV SANLDER, Respondent

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24 DATED: 10.26.07

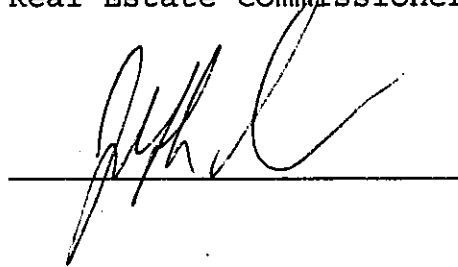

ROBERT FORGONNE, ESQ.
Attorney for Respondent
Approved as to form

* * *

1 The foregoing Stipulation and Agreement is hereby
2
3 adopted as my Decision as to Respondent DOV SANLDER and shall
4 become effective at 12 o'clock noon on February 18, 2008 ,

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6 IT IS SO ORDERED 1-2 , 2008.

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8 JEFF DAVI
9 Real Estate Commissioner

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fac.

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

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

FILED

JUL 17 2007

DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

No. H-34119 LA

DOV SANDLER, doing business as
Village Rental & Management,
and Heritage Brokers,

A C C U S A T I O N

Respondent.

The Complainant, Janice Waddell, a Deputy Real Estate Commissioner of the State of California, acting in her official capacity, for cause of Accusation against DOV SANDLER aka David Dov Sandler dba Village Rental & Management, and Heritage Brokers, is informed and alleges as follows:

1.

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

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1 LICENSE HISTORY

2 2.

3 At all times mentioned, DOV SANDLER ("SANDLER") was
4 licensed or had license rights issued by the Department of Real
5 Estate ("Department") as a real estate broker. On October 9,
6 1986, SANDLER was originally licensed as a real estate broker.

7 LICENSED ACTIVITIES AND BROKERAGE

8 3.

9 At all times mentioned, in the City of Montebello,
10 County of Los Angeles, SANDLER acted as real estate broker and
11 conducted licensed activities within the meaning of:

12 A. Code Section 10131(a). SANDLER operated a
13 residential resale brokerage dba Heritage Realty; and,
14

15 B. Code Section 10131(b). SANDLER operated a property
16 management brokerage dba Village Rental & Management.

17 AUDIT

18 4.

19 On July 26, 2005, the Department completed an audit
20 examination of the books and records of SANDLER, pertaining only
21 to the residential resale and property management activities
22 described in Paragraph 3, that require a real estate license.
23 The audit examination covered a period of time beginning on
24 December 1, 2004 through April 30, 2005. The audit examination
25 revealed violations of the Code and the Regulations as set forth
26 below, and more fully discussed in Audit Report LA 040202 and the
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exhibits and workpapers attached to said audit report.

5.

At all times mentioned, in connection with the activities described in Paragraph 4, SANDLER accepted or received funds in trust (trust funds) from or on behalf of parties to real estate transactions including buyers, sellers, escrow-holders, property owners and tenants. Thereafter SANDLER made disposition of such funds. SANDLER maintained the following trust and bank accounts into which he deposited certain of these funds:

"Village Rentals & Management Trust Account

Account No. 020003377"

Banco Popular

Montebello, California

("T/A #1")

"Thomas W. Stanton, David Dov Sandler, Mary Borrero Olympic Account

Account No. 020008284"

Banco Popular

Montebello, California

("B/A #2")

"Thomas A. Stanton, David Dov Sandler Azuza Account

Account No. 889-3313349"

Wells Fargo Bank

Montebello, California

("B/A #3")

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6.

With respect to the licensed activities referred to in Paragraphs 3 and 5, and the audit examination including the exhibits and workpapers referred to in Paragraph 4, it is alleged that SANDLER:

(a) Permitted, allowed or caused the disbursement of trust funds from the following trust and bank accounts where the disbursement of funds reduced the total of aggregate funds in the trust and bank accounts set forth below, to an amount which, as of April 30, 2005, was less than the existing aggregate trust fund liability of SANDLER 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 Regulations 2832.1

- T/A #1 \$8583.16
- B/A #2 \$ 509.00
- B/A #3 \$ 150.00
- Total \$ 9,232.16

The shortage was cured on or about June 30, 2005.

(b) (1) Received secret profits by way of undisclosed compensation by calculating management fees based on an estimate of what SANDLER earned and then disbursing them to himself. These estimated disbursements exceeded what was disclosed to the property owners, in violation of Code Section 10176(a) and 10176(g); and

1 (b) (2) Permitted and/or caused the disbursement of
2 trust funds to third parties on the representation that these
3 amounts were needed to pay for repairs or maintenance expenses
4 for properties under management, which disbursements exceeded the
5 actual costs of these services. Respondent SANDLER did not
6 disclose these "mark-ups" to the property owners, did not obtain
7 their consent to these "mark-ups" and deducted from the property
8 owners share of rental proceeds the marked up invoices.
9 Respondent SANDLER retained the difference between the amounts
10 paid and the actual costs of the services, in violation of Code
11 Sections 10176(a) and 10176(g).

12 (c) Mixed and commingled trust funds and personal funds
13 by depositing rents and expense reimbursements into, and paying
14 expenses out of Village Rentals & Management general operating
15 account, violation of Code Section 10176(e).

16 (d) Failed to maintain an adequate control record in
17 the form of a columnar record in chronological order of trust
18 funds received, deposited and disbursed by T/A #1 and B/A #3, as
19 required by Code Section 10145 and Regulation 2831.

20 (e) Failed to maintain a separate record for each
21 beneficiary or transaction, thereby failing to account for all
22 trust funds received, deposited and disbursed by T/A #1, as
23 required by Code Section 10145 and Regulation 2831.1.

24 (f) Failed to perform a monthly reconciliation of the
25 balance of all separate beneficiary or transaction records
26
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1 maintained pursuant to Regulation 2831.1 with the record of all
2 trust funds received and disbursed by T/A #1, as required by Code
3 Section 10145 and Regulation 2831.2.

4 (g) Failed to place trust funds, including rents and
5 late fees accepted on behalf of another into the hands of the
6 owner of the funds, a neutral depository or into a trust fund
7 account in the name of the trustee at a bank or other financial
8 institution not later than three business days following receipt
9 of the funds by the broker or by the broker's salesperson, as
10 required by Code Section 10145 and Regulation 2832(d). T/A #1,
11 Village Rental & Management, was not in the name of the broker.

12 (h) Permitted Thomas A. Stanton and Mary Borrero,
13 unlicensed and unbonded persons, to be an authorized signatories
14 on T/A #1; permitted Thomas W. Stanton, to be an authorized
15 signatory on B/A #2; permitted Thomas A. Stanton, to be an
16 authorized signatory on B/A #3, in violation of Code Section
17 10145 and Regulation 2834.

18 (i) Used the fictitious names of "Village Rentals &
19 Management" and "Heritage Brokers", to conduct licensed
20 activities including resale and property management without
21 holding a license bearing said fictitious business names, in
22 violation of Code Section 10159.5 and Regulation 2731.
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The conduct of Respondent SANDLER, described in Paragraph 6, violated the Code and the Regulations as set forth:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
6(a)	Code Section 10145, Regulation 2832.1
6(b)	Code Section 10176(a) and 10176(g)
6(c)	Code Section 10176(e)
6(d)	Code Section 10145 and Regulation 2831
6(e)	Code Section 10145 and Regulation 2831.1
6(f)	Code Section 10145 and Regulation 2831.2
6(g)	Code Section 10145 and Regulation 2832
6(h)	Code Section 10145 and Regulation 2834
6(i)	Code Section 10159.5 and Regulation 2731

Each of the foregoing violations constitute cause for the suspension or revocation of the real estate license and license rights of SANDLER under the provisions of Code Sections 10176(a), 10176(e), 10176(g), 10177(d) and/or 10177(g).

1 NEGLIGENCE

2 8.

3 The overall conduct of SANDLER constitutes negligence
4 and/or incompetence. This conduct and violation are cause for
5 the suspension or revocation of the real estate license and
6 license rights of SANDLER pursuant to Code Section 10177(g).

7 LACK OF SUPERVISION

8 9.

9 The overall conduct of SANDLER constitutes a failure to
10 exercise supervision and control over the licensed activities of
11 his brokerage. Nor did SANDLER maintain a system in place for
12 regularly monitoring his compliance with the Real Estate Law
13 especially in regard to establishing policies to review trust
14 fund handling and record keeping for his client's trust funds.
15 This conduct is cause for the suspension or revocation of the
16 real estate license and license rights of SANDLER pursuant to
17 Code Section 10177(d) and 10177(h).

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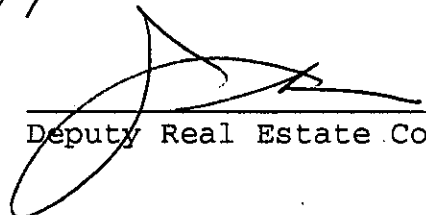
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against the license and license rights of Respondent DOV
5 SANDLER dba Village Rental & Management, and Heritage Brokers,
6 under the Real Estate Law (Part 1 of Division 4 of the Business
7 and Professions Code) and for such other and further relief as
8 may be proper under other applicable provisions of law.
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10 Dated at Los Angeles, California

11 this 10 July 2007

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14 Deputy Real Estate Commissioner
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24 cc: Dov Sandler
25 Janice Waddell
26 Sacto
27 Audits - Carol Vecchio