

AUG 13 2009

DEPARTMENT OF REAL ESTATE
BY: James B. Brown

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) NO. H-34602 LA
)
RONALD BURTON KARNO,)
)
Respondent)

ORDER SUSPENDING RESTRICTED REAL ESTATE LICENSE

TO: Ronald Burton Karno
PO Box 1028
Thousand Oaks, CA 91358

On October 3, 2008, a Stipulation and Agreement was filed by the Department of Real Estate, on the terms, conditions and restrictions set forth in the Real Estate Commissioner's Order of September 5, 2008, in Case No. H-34602 LA. This Order, which was effective November 3, 2008, stayed the suspension of Respondent restricted real estate broker license subject to enumerated terms, conditions and

1 restrictions. Among those terms, conditions and
2 restrictions, was the requirement that:

3
4 "Respondent shall, within six months from the
5 effective date of this decision, take and pass
6 the Professional Responsibility Examination
7 administered by the Department including the
8 payment of the appropriate examination fee. If
9 respondent fails to satisfy this condition, the
10 Commissioner may order suspension of Respondent
11 Ronald Burton Karno's license until respondent
12 passes the examination."

13
14 The Commissioner has determined that as of May 3,
15 2009, Respondent has failed to satisfy this condition, and as
16 such, is in violation of Section 10177(k) of the Business and
17 Professions Code. (Respondent has no right to renew the
18 restricted license if this condition isn't satisfied by the
19 date of its expiration. (Section 10156.7 of the Business and
20 Professions Code.)

21
22 NOW, THEREFORE, IT IS ORDERED under authority of
23 Section 10156.7 of the Business and Professions Code of the
24 State of California that the restricted real estate broker
25 license heretofore issued to respondent and the exercise of
26 any privileges thereunder is hereby suspended until such time
27 as Respondent provides proof satisfactory to the Department
of compliance with the condition(s) referred to above, or
pending final determination made after hearing (see "Hearing
Rights" set forth below).

IT IS FURTHER ORDERED that all license certificates
and identification cards issued by Department which are in
the possession of respondent be immediately surrendered by

1 personal delivery or by mailing in the enclosed, self-
2 addressed envelope

3 to: Department of Real Estate
4 Attn: Flag Section
5 P. O. Box 187000
6 Sacramento, CA 95818-7000

6 HEARING RIGHTS: Pursuant to the provisions of
7 Section 10156.7 of the Business and Professions Code, you
8 have the right to a hearing to contest the Commissioner's
9 determination that you are in violation of Section 10177(k).
10 If you desire a hearing, you must submit a written request.
11 The request may be in any form, as long as it is in writing
12 and indicates that you want a hearing. Unless a written
13 request for a hearing, signed by or on behalf of you, is
14 delivered or mailed to the Department at 320 West 4th Street,
15 Room 350, Los Angeles, California, 90013, within 20 days
16 after the date that this Order was mailed to or served on
17 you, the Department will not be obligated or required to
18 provide you with a hearing.

19 This Order shall be effective immediately.

20 DATED: 8-6-09

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22 Jeff Davi
23 Real Estate Commissioner
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facto

FILED

OCT - 3 2008

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

DEPARTMENT OF REAL ESTATE

BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

EXCLUSIVE REAL ESTATE CORPORATION
doing business as San Fernando
Valley Escrow and Century 21
Exclusive Realtors, and
RONALD BURTON KARNO, individually
and as designated officer of
Exclusive Real Estate Corporation,

Respondents.

No. H-34602 LA

STIPULATION
AND
AGREEMENT

It is hereby stipulated by and between Respondents
EXCLUSIVE REAL ESTATE CORPORATION, a corporate real estate broker
dba San Fernando Valley Escrow and Century 21 Exclusive Realtors,
and RONALD BURTON KARNO, individually and as designated officer
of Exclusive Real Estate Corporation (sometimes collectively
referred to as "Respondents"), represented by Frank M. Buda,
Esq., 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 December 19, 2007, in this matter:

1 1. All issues which were to be contested and all
2 evidence which was to be presented by Complainant and Respondents
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. Respondents have received, read and understand 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. Respondents 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 Respondents hereby freely and voluntarily withdraw said Notice of
16 Defense. Respondents acknowledge that they understand that by
17 withdrawing said Notice of Defense they thereby waive their 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 they will waive other rights
21 afforded to them in connection with the hearing such as the right
22 to present evidence in their defense and the right to cross-
23 examine witnesses.
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1 4. This Stipulation is based on the factual
2 allegations contained in the Accusation. In the interest of
3 expedience and economy, Respondents choose not to contest these
4 allegations, but to remain silent and understand that, as a
5 result thereof, these factual allegations, without being admitted
6 or denied, will serve as a prima facie basis for the disciplinary
7 action stipulated to herein. The Real Estate Commissioner shall
8 not be required to provide further evidence to prove said factual
9 allegations.

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

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

herein.

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

8. Respondents understand that by agreeing to this Stipulation, Respondents agree to pay, pursuant to Business and Professions Code Section 10148, the cost of the audit which led to this disciplinary action. The amount of said cost for the audit is \$12,912.68.

9. Respondents have received, read, and understand the "Notice Concerning Costs of Subsequent Audit". Respondents further understand that by agreeing to this Stipulation, the findings set forth below in the Determination of Issues become final, and the Commissioner may charge Respondents for the cost of any subsequent audit conducted pursuant to Business and Professions Code Section 10148 to determine if the violations have been corrected. The maximum cost of the subsequent audit will not exceed \$12,912.68..

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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, acts or omissions of EXCLUSIVE REAL ESTATE CORPORATION and RONALD BURTON KARNO, as described in Paragraph 4, above, is in violation of Section 10145 of the Business and Professions Code ("Code") and Sections 2831, 2834, and 2950(f) of Title 10, Chapter 6 of the California Code of Regulations ("Regulations") and is a basis for the suspension or revocation of Respondent's license and license rights as a violation of the Real Estate Law pursuant to Code Section 10177(d).

II.

The conduct, acts or omissions of RONALD BURTON KARNO, as described in Paragraph 4, constitutes a failure to keep EXCLUSIVE REAL ESTATE CORPORATION in compliance with the Real Estate Law during the time that he was the officer designated by a corporate broker licensee in violation of Section 10159.2 of the Code. This conduct is a basis for the suspension or revocation of Respondent's license pursuant to Code Section 10177(h).

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ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

A. The restricted broker licenses and licensing rights of Respondents EXCLUSIVE REAL ESTATE CORPORATION and RONALD BURTON KARNQ, under the Real Estate Law, are suspended for a period of sixty (60) days from the effective date of this Decision; provided, however, that thirty (30) days of said suspension shall be stayed for two (2) years upon the following terms and conditions:

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

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

B. The initial thirty (30) day portion of said sixty (60) day suspension shall commence on the effective date of this Decision; provided, however, that if Respondents petition, said suspension shall be stayed upon condition that:

1 1. Pursuant to Section 10175.2 of the Business and
2 Professions Code, Respondents shall pay a monetary penalty of
3 Eighty Three dollars and Thirty Three cents (\$83.33) per day or
4 Two Thousand Five Hundred Dollars (\$2,500) each, totaling Five
5 Thousand Dollars (\$5,000) for both Respondents.

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

10 3. No further cause for disciplinary action against
11 the real estate license of Respondents occur within two (2) years
12 from the effective date of the Decision in this matter.

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

20
21 5. If Respondents pay the monetary penalty and
22 provides evidence as required, above, and if no further cause for
23 disciplinary action against the real estate licenses of
24 Respondents occurs within two (2) years from the effective date
25 of the Decision, the stay hereby granted shall become permanent.

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II.

Pursuant to Section 10148 of the Business and

Professions Code, Respondents EXCLUSIVE REAL ESTATE CORPORATION and RONALD BURTON KARNO shall pay the Commissioner's reasonable cost for (a) the audit which led to this disciplinary action (b) a subsequent audit to determine if Respondents are now in compliance with the Real Estate Law. The cost of the audit which led to this disciplinary action is \$12,912.68. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. Said amount for the prior and subsequent audits shall not exceed \$25,825.36.

Respondents shall pay such cost within 60 days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities.

The Commissioner may suspend the license of Respondents pending a hearing held in accordance with Section 11500, et seq., of the Government Code, if payment is not timely made as provided for herein, or as provided for in a subsequent agreement between the Respondent and the Commissioner. The suspension shall remain in effect until payment is made in full or until Respondents enter into an agreement satisfactory to the Commissioner to

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

3 III.

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

15 IV.

16 Respondent RONALD BURTON KARNO shall within six months
17 from the effective date of the decision, take and pass the
18 Professional Responsibility Examination administered by the
19 Department including the payment of the appropriate examination
20 fee. If respondent fails to satisfy this condition, the
21 Commissioner may order suspension of Respondent RONALD BURTON
22 KARNO's license until respondent passes the examination.

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25 DATED: 5-3-08

26 ELLIOTT MAC LENNAN, Counsel for
27 the Department of Real Estate

* * *

EXECUTION OF THE STIPULATION

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

MAILING AND FACSIMILE

Respondents (1) shall mail the original signed signature page of the stipulation herein to Elliott Mac Lennan: Attention: Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105. Additionally, Respondents shall also (2) facsimile a copy of signed signature page, to the Department at the following telephone/fax number: (213) 576-6917, Attention: Elliott Mac Lennan.

A facsimile constitutes acceptance and approval of the terms and conditions of this stipulation. Respondents agree, acknowledge and understand that by electronically sending to the

1 Department a facsimile copy of Respondents' actual signature as
2 it appears on the stipulation that receipt of the facsimile copy
3 by the Department shall be as binding on Respondents as if the
4 Department had received the original signed stipulation.
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8 DATED: 6-4-08

Ronald Burton Karno
EXCLUSIVE REAL ESTATE CORPORATION,
a corporate real estate broker,
BY: RONALD BURTON KARNO D.O.,
Respondent

11 DATED: 6-4-08

Ronald Burton Karno
RONALD BURTON KARNO, individually
and as designated officer of
Exclusive Real Estate Corporation,
Respondent

16 DATED: 6-4-08

Frank M. Huda
FRANK M. HUDA, ESQ.
Attorney for Respondents
Approved as to form

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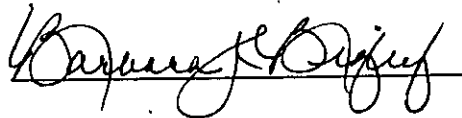
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1 The foregoing Stipulation and Agreement is hereby
2
3 adopted as my Decision as to Respondents EXCLUSIVE REAL ESTATE
4 CORPORATION and RONALD BURTON KARNO, individually and as
5 designated officer of Exclusive Real Estate Corporation, and
6 shall become effective at 12 o'clock noon on
7 November 3, 2008.

8 IT IS SO ORDERED 9/5, 2008.

9
10 JEFF DAVI
11 Real Estate Commissioner

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15 BY: Barbara J. Bigby
16 Chief Deputy Commissioner
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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

DEC 19 2007

DEPARTMENT OF REAL ESTATE

BY: *J. J. J.*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * * *

In the Matter of the Accusation of

No. H-34602-LA

EXCLUSIVE REAL ESTATE CORPORATION
doing business as San Fernando
Valley Escrow and Century 21
Exclusive Realtors; RONALD BURTON
KARNO, individually and as
designated officer of Exclusive
Real Estate Corporation

A C C U S A T I O N

Respondents.

The Complainant, Robin Trujillo, a Deputy Real Estate
Commissioner of the State of California, for cause of Accusation
against EXCLUSIVE REAL ESTATE CORPORATION dba San Fernando Escrow
Valley Escrow and Century 21 Exclusive Realtors; and RONALD
BURTON KARNO, individually and as designated officer of Exclusive
Real Estate Corporation, alleges as follows:

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1.

The Complainant, Robin Trujillo, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation against EXCLUSIVE REAL ESTATE CORPORATION and RONALD BURTON KARNO.

2.

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.

LICENSE HISTORY

3.

A.1 EXCLUSIVE REAL ESTATE CORPORATION. At all times mentioned, EXCLUSIVE REAL ESTATE CORPORATION ("EXCLUSIVE") was licensed or had license rights issued by the Department of Real Estate ("Department") as a corporate real estate broker. On June 17, 1998, EXCLUSIVE was originally licensed as a real estate broker.

A.2 On December 29, 2004, in case number H-30732 LA, EXCLUSIVE's corporate broker license was revoked with right to a restricted license which was granted on said date, as set forth below in Paragraph 11.

B. RONALD BURTON KARNO. At all times mentioned, RONALD BURTON KARNO ("KARNO") was licensed or had license rights issued by the Department as a real estate broker. On November 12, 1983, KARNO was originally licensed as a real estate broker. On December 29, 2004, in case number H-30732 LA, KARNO's broker

1 license was revoked with right to a restricted license which was
2 granted on said date, as set forth below in Paragraph 11.

3 C. At all times material herein, EXCLUSIVE was
4 licensed by the Department as a corporate real estate broker by
5 and through KARNO, as the designated officer and broker
6 responsible, pursuant to Code Section 10159.2 of the Business and
7 Professions Code for supervising the activities requiring a real
8 estate license conducted on behalf EXCLUSIVE of by EXCLUSIVE's
9 officers, agents and employees, including KARNO. On June 17,
10 1998, KARNO became the designated officer of EXCLUSIVE.

11 BROKERAGE AND LICENSED ACTIVITIES

12 4.

13
14 At all times mentioned, in the City of Woodland Hills,
15 North Hollywood, West Los Angeles and Torrance, County of Los
16 Angeles, EXCLUSIVE acted as a corporate real estate broker and
17 conducted licensed activities within the meaning of:

18 A. Code Section 10131(a). EXCLUSIVE engaged in the
19 business of, acted in the capacity of, advertised or assumed to
20 act as a corporate real estate broker, including the solicitation
21 for listings of and the negotiation of the sale of real property
22 as the agent of others; and

23 B. In addition, EXCLUSIVE conducted broker-controlled
24 escrows through its escrow division, San Fernando Valley Escrow,
25 under the exemption set forth in California Financial Code
26 Section 17006(a)(4) for real estate brokers performing escrows
27

1 incidental to a real estate transaction where the broker is a
2 party to the transaction and where the broker is performing acts
3 for which a real estate license is required.

4 AUDIT EXAMINATION

5 EXCLUSIVE REAL ESTATE CORPORATION

6 5.

7 On August 28, 2007, the Department completed an audit
8 examination of the books and records of EXCLUSIVE pertaining to
9 the broker-escrow activities described in Paragraph 4B. which
10 require a real estate license. The audit examination covered a
11 period of time beginning on January 1, 2006 to March 31, 2007.
12 The audit examination revealed violations of the Code and the
13 Regulations as set forth in the following paragraphs and more
14 fully discussed in Audit Report LA 060304 and the exhibits and
15 work papers attached to said audit report.
16

17 TRUST ACCOUNTS

18 6.

19 At all times mentioned, in connection with the
20 activities described in Paragraph 4, above, EXCLUSIVE accepted or
21 received funds including funds in trust (hereinafter "trust
22 funds") from or on behalf of actual or prospective parties to
23 transactions including buyers and sellers and escrow holders
24 handled by EXCLUSIVE and thereafter made deposits and or
25 disbursements of such funds. From time to time herein mentioned
26
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1 during the audit period, said trust funds were deposited and/or
2 maintained by EXCLUSIVE in the bank accounts as follows:

3 "Exclusive Real Estate Corp., Inc. Escrow Trust Account
4 Account No. 1891609339"
5 Comerica Bank
6 Woodland Hills, CA (T/A #1)

7 "Exclusive Real Estate Corp., Inc. Escrow Trust Account
8 Account No. 1891612473"
9 Comerica Bank
10 North Hollywood, CA (T/A #2)

11 "Exclusive Real Estate Corp., Inc. Escrow Trust Account
12 Account No. 1891613117"
13 Comerica Bank
14 Torrance, CA (T/A #3)

15 "Exclusive Real Estate Corp., Inc. Escrow Trust Account
16 Account No. 1891612465"
17 Comerica Bank
18 West Los Angeles, CA (T/A #4)

19 VIOLATIONS OF THE REAL ESTATE LAW

20 7.

21 In the course of activities described in Paragraphs 4
22 and 6, above, and during the examination period described in
23 Paragraph 5, Respondents EXCLUSIVE and KARNO, acted in violation
24 of the Code and the Regulations in that they:

25 (a) Failed to obtain a properly executed escrow
26 amendment by all parties including Siavash Boloorian before
27 disbursing \$565.02 to seller Azarmidokht Kavehpour from escrow

1 trust account T/A #2, for escrow number 4270-ES, in violation of
2 Code Section 10177(g) and Regulations 2950(b) and 2950(g).

3 (b) Failed to maintain a complete and adequate control
4 record in the form of a columnar record in chronological order of
5 all trust funds received, deposited and disbursed by the escrow
6 trust accounts, as required by Code Section 10145 and Regulations
7 2831, 2950(d), 2950(g) and 2951.

8 (c) Failed to maintain a complete and adequate separate
9 record for each beneficiary or transaction, thereby failing to
10 account for all trust funds received, deposited and disbursed
11 from the escrow trust accounts, as required by Code Section 10145
12 and Regulation 2831.1.

13 (d) While acting in the capacity of an escrow holder in
14 the purchase and sale transaction for Bharat Bhattarai (escrow
15 numbers 4467 - receipt number 6834, \$10,000 and 4467 - receipt
16 number 6835, \$10,000), failed to place trust funds, including the
17 earnest money deposits, accepted on behalf of another, Bharat
18 Bhattarai, into the hands of the owner of the funds, a neutral
19 escrow depository or into a trust fund account in the name of the
20 broker at a bank or other financial institution not later than
21 the next business day following receipt of the funds by the
22 broker or by the broker's salesperson, as required by Code
23 Section 10145 and Regulations 2832(e), 2950(f) and 2951.

24 (e) Permitted unlicensed and unbonded persons Elaine
25 Schwartz, Jean Buetow, Cheryl Bates and Teresa Castro, as
26
27

1 authorized signatories on the escrow trust accounts, in violation
2 of Code Section 10145 and Regulation 2834.

3 (f) Failed to provide or retain the salesperson license
4 certificates for Marilyn Minton and Santos E. Aleman, in
5 violation of Code Section 10160 and Regulation 2753.

6 (g) had no system in place for regularly monitoring his
7 compliance with the Real Estate Law especially in regard to
8 establishing policies and procedures to review trust fund
9 handling, in violation of Code Section 10159.2 and Regulation
10 2725. Specifically, Respondents failed to establish policies and
11 procedures to dispose of the outstanding balances in several
12 closed escrows, to maintain control records for each trust
13 account separately, and to prevent unlicensed persons from being
14 signatories on the escrow trust accounts.

15 (h) Misrepresented to seller Azarmidokht Kavehpour that
16 Respondents held a \$1,000 earnest money deposit for the
17 Kavehpour-Boloorian residential sale and purchase transaction,
18 escrow number 4270-ES, in violation of Code Section 10176(a)
19 and/or 10177(g).

20 (i) Failed to disclose to the parties in the following
21 escrows that EXCLUSIVE overcharged escrow fees in the amount of
22 \$135 in escrow number 4391 and overcharged \$138 in escrow number
23 4393. This failure to disclose constitutes the taking of a
24 secret profit by means of compensation undisclosed to the parties
25 to the escrow, in violation of Code Section 10176(g).
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DISCIPLINARY STATUTES AND REGULATIONS

8.

The conduct of Respondents EXCLUSIVE and KARNO described in Paragraph 7, above, violated the Code and the Regulations as set forth below:

<u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
7(a)	Code Section 10177(g) and Regulations 2950(b) and 2950(g)
7(b)	Code Section 10145 and Regulations 2831, 2950(d), 2950(g) and 2951
7(c)	Code Section 10145 and Regulations 2831.1, 2950(d) and 2951
7(d)	Code Section 10145 and Regulations 2832(e), 2950(f) and 2951
7(e)	Code Section 10145 and Regulation 2834
7(f)	Code Section 10160 and Regulation 2753

1 7(g)

Code Section 10159.2 and Regulation
2725

4 7(h)

Code Sections 10176(a) and 10177(g)

6 7(i)

Code Section 10176(g)

7
8 The foregoing violations constitute cause for the suspension or
9 revocation of the real estate license and license rights of
10 EXCLUSIVE and KARNO, under the provisions of Code Sections
11 10176(a), 10176(g), 10177(d) and/or 10177(g) and 10177(h).

12 NEGLIGENCE

13 9.

14 The overall conduct of Respondents EXCLUSIVE and KARNO
15 constitutes negligence. This conduct and violation are cause for
16 the suspension or revocation of the real estate license and
17 license rights of said Respondents pursuant to Code Section
18 10177(g).

19 10.

20 SUPERVISION AND CORPORATE COMPLIANCE

21 The overall conduct of Respondent KARNO constitutes a
22 failure on his part, as officer designated by a corporate broker
23 licensee, to exercise the reasonable supervision and control over
24 the licensed activities of EXCLUSIVE as required by Code Section
25 10159.2 and Regulation 2725, and to keep EXCLUSIVE in compliance
26 with the Real Estate Law. Said conduct, acts and omissions are
27

1 cause for the suspension or revocation of the real estate license
2 and license rights of KARNO pursuant to the provisions of Code
3 Sections 10177(d), 10177(h) and 10177(k).

4 PRIOR DEPARTMENTAL ACTION

5 11.

6 On February 26, 2004, in Case No. H-30732 LA, an
7 Accusation was filed against Respondents EXCLUSIVE and KARNO that
8 resulted in discipline for Respondent EXCLUSIVE for violations of
9 Code Sections 10145, 10177(d), 10177(g) and Regulations 2831,
10 2831.1, 2831.2 and 2832, and for Respondent KARNO for violations
11 of Code Sections 10145, 10159.2, 10177(d), 10177(g) and 10177(h)
12 and Regulation 2834. Respondents EXCLUSIVE and KARNO's real
13 estate broker licensed were revoked with a right to restricted
14 broker licensed that were issued on December 29, 2004.

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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 Respondents
5 EXCLUSIVE REAL ESTATE CORPORATION and RONALD BURTON KARNO,
6 individually and as designated officer of Exclusive Real Estate
7 Corporation, under the Real Estate Law (Part 1 of Division 4 of
8 the Business and Professions Code) and for such other and further
9 relief as may be proper under other applicable provisions of law.

10 Dated at Los Angeles, California

11 this 15 day of November 2007.

12 
13 Deputy Real Estate Commissioner

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24 cc: Exclusive Real Estate Corporation
25 c/o Ronald Burton Karno D.O.
26 Robin Trujillo
27 Sacto
Audits - Surender Bhatia