

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

**FILED**

MAR 28 2012

DEPARTMENT OF REAL ESTATE  
BY: 

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8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )

No. H-36738 LA

12 GOOD NEWS INC. doing business )  
13 as 1st Class Realty; and )  
14 TYRONE RICHARD HORN JR., )  
as designated officer of )  
15 Good News Realty Inc. )

STIPULATION  
AND  
AGREEMENT

16 Respondents, )  
17 )  
18 )

18 It is hereby stipulated by and between Respondents  
19 GOOD NEWS INC. and TYRONE RICHARD HORN JR., individually and as  
20 designated officer of Good News Inc., (sometimes collectively  
21 referred to as "Respondents"), and the Complainant, acting by and  
22 through Elliott Mac Lennan, Counsel for the Department of Real  
23 Estate, as follows for the purpose of settling and disposing of  
24 the Accusation ("Accusation") filed on July 28, 2010, in this  
25 matter:  
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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 is made for the purpose of  
11 reaching an agreed disposition of this proceeding and is  
12 expressly limited to this proceeding and any other proceeding or  
13 case in which the Department of Real Estate ("Department"), the  
14 state or federal government, or any agency of this state, another  
15 state or federal government is involved.

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

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

9           8. Respondents understand that by agreeing to this  
10 Stipulation, Respondents agree to pay, pursuant to Business and  
11 Professions Code Section 10148, the cost of the audit. The  
12 amount of said cost for the audit is \$4,895.20.

13           9. Respondents have received, read, and understand the  
14 "Notice Concerning Costs of Subsequent Audit". Respondents  
15 further understand that by agreeing to this Stipulation, the  
16 findings set forth below in the Determination of Issues become  
17 final, and the Commissioner may charge Respondents for the cost  
18 of any subsequent audit conducted pursuant to Business and  
19 Professions Code Section 10148 to determine if the violations  
20 have been corrected. The maximum cost of the subsequent audit  
21 will not exceed \$4,895.20.

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DETERMINATION OF ISSUES

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

I.

4  
5 The conduct, acts or omissions of GOOD NEWS INC. and  
6 TYRONE RICHARD HORN JR. as described in Paragraph 4, above, are  
7 in violation of Sections 10145 and 10160 of the Business and  
8 Professions Code ("Code") and Sections 2726, 2753, 2831, 2831.1,  
9 2831.2, 2950(d), 2950(g) and 2951 of Title 10, Chapter 6 of the  
10 California Code of Regulations ("Regulations") and is a basis for  
11 discipline of Respondents' license and license rights as  
12 violation of the Real Estate Law pursuant to Code Sections  
13 10177(d) and 10177(g).

II.

14  
15 The conduct, acts or omissions of TYRONE RICHARD HORN  
16 JR., as described in Paragraph 4, above, are in violation of Code  
17 Section 10159.2 and is a basis for discipline of Respondent's  
18 license and license rights as violation of the Real Estate Law  
19 pursuant to Code Section and 10177(h).

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ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

All licenses and licensing rights of Respondents GOOD NEWS INC. and TYRONE RICHARD HORN JR. under the Real Estate Law suspended for a period of thirty (30) days from the effective date of this Decision; provided, however, that if a Respondent requests, said thirty day suspension (or a portion thereof) shall be stayed for two (2) years upon condition that:

1. Respondents pay a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of \$33.33 per day for each day of the thirty day suspension for a monetary penalty of \$1,000 each or a total monetary penalty of \$2,000.

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

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

4. If a Respondent fails to pay the monetary penalty in accordance with the terms of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension, in which event a Respondent shall not be entitled to any repayment nor credit, prorated or

1 otherwise, for money paid to the Department under the terms of  
2 this Decision.

3 5. If a Respondent pays the monetary penalty and if no  
4 further cause for disciplinary action against the real estate  
5 license of Respondent occurs within two (2) years from the  
6 effective date of the Decision, the stay hereby granted shall  
7 become permanent.

8 II.

9 Pursuant to Section 10148 of the Business and  
10 Professions Code, Respondents GOOD NEWS INC. AND TYRONE RICHARD  
11 HORN JR. shall pay the Commissioner's reasonable cost for (a) the  
12 audit which led to this disciplinary action (b) a subsequent  
13 audit to determine if Respondents are now in compliance with the  
14 Real Estate Law. The cost of the audit which led to this  
15 disciplinary action is \$4,895.20. In calculating the amount of  
16 the Commissioner's reasonable cost, the Commissioner may use the  
17 estimated average hourly salary for all persons performing audits  
18 of real estate brokers, and shall include an allocation for  
19 travel time to and from the auditor's place of work. Said amount  
20 for the prior and subsequent audits shall not exceed \$9,790.40.

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

25 The Commissioner may suspend the license of Respondents  
26 pending a hearing held in accordance with Section 11500, et seq.,  
27 of the Government Code, if payment is not timely made as provided

1 for herein, or as provided for in a subsequent agreement between  
2 the Respondent and the Commissioner. The suspension shall remain  
3 in effect until payment is made in full or until Respondents  
4 enter into an agreement satisfactory to the Commissioner to  
5 provide for payment, or until a decision providing otherwise is  
6 adopted following a hearing held pursuant to this condition.

7 III.

8 All licenses and licensing rights of Respondent are  
9 indefinitely suspended unless or until Respondent provides proof  
10 satisfactory to the Commissioner that the trust fund deficit of  
11 \$1,000.00 set forth in the Accusation has been restored,  
12 including the identification of the source of funds used to cure  
13 the deficit.

14 IV.

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

Respondent TYRONE RICHARD HORN JR. shall within six (6)  
months from the effective date of the Decision herein, 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 order suspension of Respondent's license  
until Respondent passes the examination.

VI.

Respondent TYRONE RICHARD HORN JR. shall, within nine  
(9) 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. The Commissioner shall afford Respondent  
the opportunity for a hearing pursuant to the Administrative  
Procedure Act to present such evidence.

DATED: 6-24-11

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

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2 EXECUTION OF THE STIPULATION

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

13 MAILING AND FACSIMILE

14 Respondents (1) shall mail the original signed  
15 signature page of the stipulation herein to Elliott Mac Lennan:  
16 Attention: Legal Section, Department of Real Estate, 320 W.  
17 Fourth St., Suite 350, Los Angeles, California 90013-1105.  
18 Respondents shall also (2) facsimile a copy of signed signature  
19 page, to the Department at the following telephone/fax number:  
20 (213) 576-6917, Attention: Elliott Mac Lennan.

21 A facsimile constitutes acceptance and approval of the  
22 terms and conditions of this stipulation. Respondents agree,  
23 acknowledge and understand that by electronically sending to the  
24 Department a facsimile copy of Respondents' actual signature as  
25 it appears on the stipulation that receipt of the facsimile copy  
26 by the Department shall be as binding on Respondents as if the  
27 Department had received the original signed stipulation.



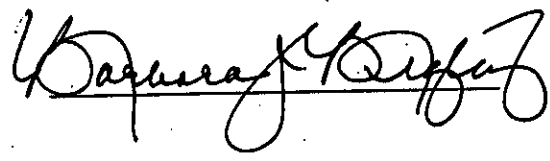
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The foregoing Stipulation and Agreement is hereby  
adopted as my Decision as to Respondents GOOD NEWS INC. and  
TYRONE RICHARD HORN JR. individually and as designated officer of  
Good News Inc. and shall become effective at 12 o'clock noon on  
April 25, 2012.

IT IS SO ORDERED 3/5/12

BARBARA BIGBY  
Real Estate Commissioner



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

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

**FILED**

JUL 28 2010

DEPARTMENT OF REAL ESTATE  
BY: *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \* \* \*

11 In the Matter of the Accusation of )

No. H- 36738 LA

12 GOOD NEWS INC. doing business )  
13 as 1st Class Realty; and )  
14 TYRONE RICHARD HORN JR. )  
15 as designated officer of )  
16 Good News Realty Inc., )

A C C U S A T I O N

17 Respondents. )

18 The Complainant, Robin Trujillo, a Deputy Real Estate  
19 Commissioner of the State of California, for cause of Accusation  
20 against GOOD NEWS INC. dba 1st Class Realty, and TYRONE RICHARD  
21 HORN JR., as designated officer of Good News Inc., alleges as  
22 follows:

23 1.

24 The Complainant, Robin Trujillo, acting in her official  
25 capacity as a Deputy Real Estate Commissioner of the State of  
26

1 California, makes this Accusation against GOOD NEWS INC. and  
2 TYRONE RICHARD HORN JR.

3 2.

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

7 3.

8 A. At all times mentioned, GOOD NEWS INC. ("GNI") was  
9 licensed or had license rights issued by the Department of Real  
10 Estate ("Department") as a real estate broker. On May 21, 2007,  
11 GNI was originally licensed as a corporate real estate broker.

12 B. On May 21, 2007, TYRONE RICHARD HORN JR. ("HORN")  
13 was licensed as the designated officer of GNI.

14 D. At all times material herein, GNI was licensed by  
15 the Department as a corporate real estate broker by and through  
16 HORN, as the designated officer and broker responsible, pursuant  
17 to Code Section 10159.2 of the Business and Professions Code for  
18 supervising the activities requiring a real estate license  
19 conducted on behalf GNI of by GNI's officers, agents and  
20 employees, including HORN.

21 4.

22 At all times mentioned, in City of Ontario, County of  
23 Los Angeles, GNI and HORN acted as real estate brokers and  
24 conducted licensed activities within the meaning of:

25 A. Code Section 10131(a). Respondents engaged in the  
26 business of, acted in the capacity of, advertised or assumed to  
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1 act as real estate brokers dba 1st Class Realty, including the  
2 solicitation for listings of and the negotiation of the sale of  
3 real property as the agent of others.

4 B. GNI and HORN conducted broker-controlled escrows  
5 through GNI's escrow division, Excellence Team Escrow, under the  
6 exemption set forth in California Financial Code Section  
7 17006(a)(4) for real estate brokers performing escrows incidental  
8 to a real estate transaction where the broker is a party and  
9 where the broker is performing acts for which a real estate  
10 license is required.

#### 11 AUDIT EXAMINATION

12 5.

13 On February 1, 2010, the Department completed an audit  
14 examination of the books and records of GNI pertaining to the  
15 broker-escrow activities described in Paragraph 4 that require a  
16 real estate license. The audit examination covered the period  
17 from August 1, 2007 to August 29, 2009. The audit examination  
18 revealed violations of the Code and the Regulations as set forth  
19 in the following paragraphs, and more fully discussed in Audit  
20 Report LA 090044 and the exhibits and work papers attached to  
21 said audit report.

22 6.

23 At all times mentioned, in connection with the  
24 activities described in Paragraph 4, above, GNI accepted or  
25 received funds including funds in trust (hereinafter "trust  
26  
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1 funds") from or on behalf of actual or prospective parties  
2 including lenders and borrowers, for loan transactions brokered  
3 and escrowed by GNI and thereafter made deposits and or  
4 disbursements of such funds. From time to time herein mentioned  
5 during the audit period, said trust funds were deposited and/or  
6 maintained by GNI in the bank accounts as follows:

7  
8 "Good News Inc. dba 1st Class Realty Escrow Division Trust  
9 Account  
10 Account No. 0001-804197  
11 Mellon 1st Business Bank  
12 601 West Fifth St  
13 Los Angeles, CA 90071 (T/A #1)

14 "Good News Inc. dba 1st Class Realty Escrow Division Trust  
15 Account  
16 Account No. 83073601"  
17 Irwin Union Bank  
18 650 Town Center Dr., Suite 180  
19 Costa Mesa, CA 92625 (T/A #2)

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 GNI and HORN, acted in violation of the  
24 Code and the Regulations in that they:

25 (a) Permitted, allowed or caused the disbursement of  
26 trust funds from the T/A #1 below where the disbursement of said  
27 funds reduced the total of aggregate funds as set forth below, to



1 an amount which, on August 29, 2008 was \$486.00, less than the  
2 existing aggregate trust fund liability of GNI to every principal  
3 who was an owner of said funds, without first obtaining the prior  
4 written consent of the owners of said funds, in violation of Code  
5 Section 10145 and Regulations 2832.1, 2950(g) and 2951.

6 (b) Failed to maintain an adequate control record in  
7 the form of a columnar record in chronological order of all trust  
8 funds received, deposited and disbursed for both trust accounts,  
9 in violation of Code Section 10145 and Regulations 2831, 2950(d)  
10 and 2951.

11 (c) Failed to maintain a separate record for each  
12 beneficiary or transaction, thereby failing to account for all  
13 trust funds received, deposited and disbursed for both trust  
14 accounts, in violation of Code Section 10145 and Regulations  
15 2831.1, 2950(d) and 2951.

16 (d) Failed to perform a monthly reconciliation of the  
17 balance of all separate beneficiary or transaction records  
18 maintained pursuant to Regulation 2831.1 with the record of all  
19 trust funds received and disbursed by both trust accounts, in  
20 violation of Code Section 10145 and Regulations 2831.2, 2950(d)  
21 and 2951.

22 (e) Permitted Carol Horn, an unlicensed and unbonded  
23 person, and wife of Respondent HORN, to be an authorized  
24 signatory on T/#2, in violation of Code Section 10145 and  
25 Regulations 2834, 2950(d) and 2951.  
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1 (f) Used the fictitious name of "Excellence Team  
2 Escrow" to conduct licensed activities without holding a license  
3 bearing said fictitious business name, in violation of Code  
4 Section 10159.5 and Regulation 2731.

5 (g) Failed to retain the salesperson license  
6 certificate for fifteen of twenty salespersons, in violation of  
7 Code Section 10160 and Regulation 2753.

8 (h) Failed to maintain a signed broker salesperson  
9 agreement for eleven of twenty salespersons, in violation of  
10 Regulation 2726.

11 (i) Failed to retain all records of GNI's activity  
12 during the audit period requiring a real estate broker license,  
13 in violation of Code Section 10148.

14 8.

15  
16 The conduct of Respondents GNI and HORN described in  
17 Paragraph 7, above, violated the Code and the Regulations as set  
18 forth below:

19 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
20 7(a)	Code Section 10145 and Regulations 21 2832.1, 2950(g) and 2951 22
23 7(b)	Code Section 10145 and Regulations 24 2831, 2950(d) and 2951 25 26 27

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7(c) Code Section 10145 and Regulations  
2831.1, 2950(d) and 2951

7(d) Code Section 10145 and Regulations  
2831.2, 2950(d) and 2951

7(e) Code Section 10145 and Regulations  
2834, 2950(d) and 2951

7(f) Code Section 10159.5 and Regulation  
2731

7(g) Code Section 10160 and Regulation  
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7(g) Regulation 2726

7(e) Code Section 10148

The foregoing violations constitute cause for the suspension or  
revocation of the real estate license and license rights of GNI  
and HORN, under the provisions of Code Sections 10177(d) and/or  
10177(g).

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9.

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

7 10.

8 The overall conduct of Respondents GNI and HORN  
9 constitutes a breach of fiduciary duty with respect to the said  
10 Respondent's real estate consumers and clientele. This conduct  
11 and violation are cause for the suspension or revocation of the  
12 real estate license and license rights of said Respondents  
13 pursuant to Code Section 10177(g).

14 11.

15 The overall conduct of Respondent HORN constitutes a  
16 failure on Respondent's part, as officer designated by a  
17 corporate broker licensee, to exercise the reasonable supervision  
18 and control over the licensed activities of GNI as required by  
19 Code Section 10159.2, and to keep GNI in compliance with the Real  
20 Estate Law, and is cause for the suspension or revocation of the  
21 real estate license and license rights of HORN pursuant to the  
22 provisions of Code Section 10177(h).

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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 GOOD  
5 NEWS INC. dba 1st Class Realty and TYRONE RICHARD HORN JR., under  
6 the Real Estate Law (Part 1 of Division 4 of the Business and  
7 Professions Code) and for such other and further relief as may be  
8 proper under other applicable provisions of law.

9 Dated at Los Angeles, California

10 this 26 day of July 2010.

  
11 Robin Trujillo  
12 Deputy Real Estate Commissioner

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24 cc: Good News Inc.  
25 c/o Tyrone Richard Horn Jr. D.O.  
26 Robin Trujillo  
27 Sacto  
Audits - Anna Hartoonian