

FILED  
FEB - 8 2012  
DEPARTMENT OF REAL ESTATE

By C-2

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \* \* \*

In the Matter of the Accusation of	)	No. H-37063 LA
	)	
MONARCH REALTY & INVESTMENTS, INC.;	)	L-2011040500
MICHAEL SEDEY, individually and as	)	
designated officer of Monarch Realty &	)	
Investments, Inc.; and GAIL ANNE SEDEY,	)	
	)	
Respondents.	)	
	)	

DECISION

The Proposed Decision dated January 11, 2012, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

This Decision shall become effective at 12 o'clock noon on  
February 28, 2012.

IT IS SO ORDERED 1/25, 2012.

BARBARA J. BIGBY  
Acting Real Estate Commissioner



BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

In the Matter of the Accusation of:

MONARCH REALTY & INVESTMENTS,  
INC.; MICHAEL SEDEY individually, and  
as designated officer of MONARCH  
REALTY & INVESTMENTS, INC.; and  
GAIL ANNE SEDEY,

Respondents.

Agency Case No. H-37063 LA

OAH Case No. 2011040500

**PROPOSED DECISION**

Daniel Juárez, Administrative Law Judge, Office of Administrative Hearings, heard this matter on December 13, 2011, in Los Angeles, California.

Lissette Garcia, Staff Counsel, represented Deputy Real Estate Commissioner Maria Suarez (Complainant).

Michael Sedey (Respondent M. Sedey) represented himself individually and as designated officer of Monarch Realty & Investments, Inc. (Respondent MRI). Respondent M. Sedey also represented Respondent MRI.

Gail Anne Sedey (Respondent G. Sedey) was not present.

The parties submitted the matter for decision on December 13, 2011.

**STATEMENT OF THE CASE**

Complainant contends license discipline is warranted against Respondents because Respondent MRI engaged in real estate transactions with a suspended corporate status and Respondents MRI and M. Sedey employed and compensated Respondent G. Sedey for engaging in real estate transactions while her real estate salesperson license was not under the employ of Respondents MRI or M. Sedey.

Respondents MRI and M. Sedey did not contest the allegations, but argued that their misconduct was the result of oversights and lack of attention to their professional obligations.

## FACTUAL FINDINGS

1. Complainant, acting in her official capacity, filed the Accusation on February 9, 2011. On March 24, 2011, Respondents each filed Notices of Defense. Complainant did not argue that the Notices of Defense were untimely. Therefore, the Notices of Defense were deemed timely.

2. The Department of Real Estate (Department) issued a corporate broker license to Respondent MRI on October 23, 1996, with Respondent M. Sedey as its designated officer. That broker license expired on October 22, 2004; it was renewed on January 28, 2005, and it expired on January 27, 2009. The Department retains jurisdiction over Respondent MRI's license, pursuant to Business and Professions Code section 10103.

3. On January 2, 2009, the California Secretary of State suspended the powers, rights, and privileges of Respondent MRI as a domestic corporation. Respondent MRI was composed of Respondent M. Sedey as President and CEO, and Respondent G. Sedey as Secretary, CFO, and agent for service of process.

4. The Department issued a real estate salesperson license to Respondent M. Sedey on February 27, 1996, with no employing broker affiliation. The salesperson license terminated on July 24, 1998. The Department issued a real estate broker license to Respondent M. Sedey on July 25, 1998. It expired on July 24, 2002; it was renewed on July 25, 2002. It expired on July 24, 2006, and it was renewed on July 25, 2006. It expired on July 24, 2010, and it was renewed on August 19, 2010; it expires on August 18, 2014, unless renewed.

5. The Department issued a conditional real estate salesperson license (pursuant to Bus. & Prof. Code, § 10153.4) to Respondent G. Sedey on October 13, 1995; it expired on April 13, 1997, and it was suspended indefinitely (pursuant to Bus. & Prof. Code, § 10153.4) on April 14, 1997. On April 18, 1997, her license was reinstated from its conditional suspended status. Respondent G. Sedey's license expired on October 12, 1999; it was renewed on November 1, 1999. It expired on October 31, 2003, and it was renewed in the employ of Respondent M. Sedey on November 1, 2003. Her license was in the employ of Respondent MRI between April 5 and October 23, 2004, and again between April 6, 2005, and October 31, 2007. It expired on October 31, 2007, and it was renewed on May 27, 2008. Respondent G. Sedey's license was in the employ of Respondent MRI from May 27, 2008, until January 28, 2009, when Respondent MRI's broker license had expired. Her license was then activated in the employ of Respondent M. Sedey on September 17, 2009, but was discontinued from Respondent M. Sedey as of July 25, 2010, due to that broker license's expiration. Respondent G. Sedey's real estate salesperson license expires on May 26, 2012, unless renewed.

6. By letter to Respondent G. Sedey, dated April 2, 2009, the Department confirmed that Respondent G. Sedey was no longer in the employ of Respondent MRI, effective January 28, 2009. The Department further informed her that her real estate

salesperson license had to be affiliated with an employing broker before she could engage in further licensed activities.

7. Between April 9 and May 11, 2009, Respondents solicited prospective buyers and engaged in negotiations with regard to a real property sale in Tustin, California. Respondent MRI acted as the listing firm and Respondent M. Sedey was listed in a purchase agreement, dated April 9, 2009, and a counter offer, dated April 10, 2009. All Respondents received a monetary commission with regard to this sale.

8. Between September 3 and 10, 2009, Respondents solicited prospective buyers and engaged in negotiations with regard to a real property sale in Mission Viejo, California. Respondent MRI was shown as the broker and Respondent G. Sedey was listed in a counter offer, dated September 3, 2009. Respondent M. Sedey was shown to be the listing agent in a purchase agreement, dated September 8, 2009.

9. In November 2009, prospective buyers of the Mission Viejo property complained to the Department regarding Respondents. The prospective buyers claimed that their purchase bid was rejected because of their race. Complainant did not allege any violation of law by Respondents related to racial discrimination. Therefore, this issue need not be addressed in this matter. There was, however, no evidence of racial discrimination on the part of Respondents.

10. By letter dated December 2, 2009, the Department requested information and documentation regarding the real property sale in Tustin. The letter was addressed to the "Corporate Officer" of Respondent MRI. Respondents did not respond to the letter.

11. Respondent M. Sedey explained that the failure to respond to the Department's letter was due to Respondents G. and M. Sedey's lack of attention to their business duties. He further explained that Respondents intended to let Respondent MRI's broker license expire in January 2009, and have Respondent G. Sedey work under Respondent M. Sedey's broker license. They failed to update their records. They did not take care to remove Respondent MRI from their documentation before working on the Tustin and Mission Viejo property sales. They did not pay attention to Respondent G. Sedey's lack of broker affiliation. Respondent M. Sedey described his lack of attention as "sloppy" and conceded that he could offer no valid reason for his omissions. He asserted that he had no intention of misrepresenting himself, Respondent G. Sedey, or Respondent MRI in his real estate dealings. Respondent M. Sedey was credible; he has not engaged in real estate transactions since August 2010.

12. Currently, Respondent M. Sedey is unemployed. Respondent M. Sedey is married to Respondent G. Sedey.

## LEGAL CONCLUSIONS

1. Complainant bears the burden of proof. (*Parker v. City of Fountain Valley* (1981) 127 Cal.App.3d 99; *Pipkin v. Bd. of Supervisors* (1978) 82 Cal.App.3d 652.) The standard of proof is clear and convincing evidence to a reasonable certainty. (*Ettinger v. Bd. of Medical Quality Assurance* (1982) 135 Cal.App.3d 853.) Clear and convincing evidence means the evidence is "so clear as to leave no substantial doubt" and is "sufficiently strong to command the unhesitating assent of every reasonable mind." (*Mathieu v. Norrell Corporation* (2004) 115 Cal.App.4th 1174, 1190 [citing *Mock v. Michigan Millers Mutual Ins. Co.* (1992) 4 Cal.App.4th 306, 332-333].)

2. Business and Professions Code section 10177, states in part:

The commissioner may suspend or revoke the license of a real estate licensee . . . who has done any of the following, or may suspend or revoke the license of a corporation or deny the issuance of a license to a corporation if an officer, director, or person owning or controlling 10 percent or more of the corporation's stock has done any of the following:

[¶] . . . [¶]

(d) Willfully disregarded or violated the Real Estate Law . . . or the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law . . .

[¶] . . . [¶]

(f) Acted or conducted himself or herself in a manner that would have warranted the denial of his or her application for a real estate license . . .

(g) Demonstrated negligence or incompetence in performing an act for which he or she is required to hold a license.

(h) As a broker licensee, failed to exercise reasonable supervision over the activities of his or her salespersons, or, as the officer designated by a corporate broker licensee, failed to exercise reasonable supervision and control of the activities of the corporation for which a real estate license is required.

3. California Code of Regulations, title 10, section 2742 states in part:

[¶] . . . [¶]

(c) A corporation licensed under Section 10211 of the Code shall not engage in the business of a real estate broker while not in good standing with the Office of the Secretary of State.

4. Respondent MRI's involvement in the Tustin and Mission Viejo real estate transactions with its suspended corporate status violated California Code of Regulations, title 10, section 2742, subdivision (c).

5. Cause exists to discipline Respondent MRI's real estate broker license for willfully disregarding and violating the law by engaging in real estate transactions while its corporate status was suspended, pursuant to Business and Professions Code sections 10177, subdivision (d), as set forth in Factual Findings 1-3, 7, 8, and Legal Conclusions 1-4.

6. Respondent MRI's actions would have warranted the denial of its application for a real estate license, pursuant to Business and Professions Code section 10177, subdivision (f). A charge of this provision requires an analysis considering whether Respondent MRI's actions are substantially related to a licensee's qualifications, functions, and duties.

7. California Code of Regulations, title 10, section 2910 states in part:

(a) When considering whether a license should be denied, suspended or revoked on the basis of the conviction of a crime, or on the basis of an act described in Section 480(a)(2) or 480(a)(3) of the Code, the crime or act shall be deemed to be substantially related to the qualifications, functions or duties of a licensee of the Department within the meaning of Sections 480 and 490 of the Code if it involves:

[¶] . . . [¶]

(6) Willfully violating or failing to comply with a provision of Division 4 of the Business and Professions Code of the State of California.

[¶] . . . [¶]

(10) Conduct which demonstrates a pattern of repeated and willful disregard of law.

8. Respondent MRI's actions of engaging in real estate transactions with a suspended corporate status are substantially related to a licensee's qualifications, functions, and duties. (Cal. Code Regs., tit. 10, § 2910, subds. (6) & (10).)

9. Cause exists to discipline Respondent MRI's real estate broker license for acting in a manner that would have warranted the denial of a corporate real estate license application, pursuant to Business and Professions Code section 10177, subdivision (f), as set forth in Factual Findings 1-3, 7, 8, and Legal Conclusions 1, 2, and 6-8.

10. Complainant alleged that Respondent MRI's actions and omissions demonstrated negligence or incompetence. There was insufficient evidence to establish negligence or incompetence.

11. Cause does not exist to discipline Respondent MRI's real estate broker license for negligence or incompetence, pursuant to Business and Professions Code sections 10177, subdivision (g), as set forth in Factual Findings 1-12, and Legal Conclusions 1, 2, and 10.

12. Business and Professions Code section 10159.2 states in part:

(a) The officer designated by a corporate broker licensee pursuant to Section 10211 shall be responsible for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees as necessary to secure full compliance with the provisions of this division, including the supervision of salespersons licensed to the corporation in the performance of acts for which a real estate license is required.

13. By allowing Respondent MRI to engage in real estate activities with a suspended corporate status, Respondent M. Sedey failed to supervise and control the activities of Respondent MRI and violated Business and Professions Code section 10159.2.

14. Cause exists to discipline Respondent M. Sedey's real estate broker license for violating the law by failing to supervise and control the activities of Respondent MRI, pursuant to Business and Professions Code sections 10177, subdivisions (d) and (h), as set forth in Factual Findings 1-4, 7, 8, 11, and Legal Conclusions 1, 2, 12, and 13.

15. Complainant alleged that Respondent M. Sedey's actions and omissions demonstrated negligence or incompetence. There was insufficient evidence to establish negligence or incompetence.

16. Cause does not exist to discipline Respondent M. Sedey's real estate broker license for negligence or incompetence, pursuant to Business and Professions Code sections 10177, subdivision (g), as set forth in Factual Findings 1-12, and Legal Conclusions 1, 2, and 15.

17. Business and Professions Code section 10130 states in part:

It is unlawful for any person to engage in the business, act in the capacity of, advertise or assume to act as a real estate broker or a real estate salesman within this state without first obtaining a real estate license from the department.

18. Business and Professions Code section 10137 states in part:

It is unlawful for any licensed real estate broker to employ or compensate, directly or indirectly, any person for performing any of the acts within the scope of this chapter who is not a licensed real estate broker, or a real estate salesman licensed under the broker employing or compensating him . . . .

No real estate salesman shall be employed by or accept compensation from any person other than the broker under whom he is at the time licensed.

[¶] . . . [¶]

For a violation of any of the provisions of this section, the commissioner may temporarily suspend or permanently revoke the license of the real estate licensee, in accordance with the provisions of this part relating to hearings.

19. Respondents MRI and M. Sedey acted as real estate brokers (see Bus. & Prof. Code, § 10131, subd. (a)) and Respondent G. Sedey, while working with Respondent M. Sedey, solicited prospective buyers, engaged in negotiations for the purchase of real property, and as to the Tustin property transaction, she was compensated, along with the other Respondents. These transactions and her receipt of compensation occurred between April 9 and September 10, 2009. Respondent G. Sedey's license, under the employ of Respondent MRI, ended on January 28, 2009; it was not activated under the employ of Respondent M. Sedey until September 17, 2009. Respondents therefore violated Business and Professions Code sections 10130 and 10137, and in doing so, violated Business and Professions Code section 10177, subdivision (d).

20. Cause exists to discipline Respondents MRI and M. Sedey's real estate broker licenses, pursuant to Business and Professions Code section 10137, for employing Respondent G. Sedey to engage in real property sales while her salesperson license was not under the employ of a broker, as set forth in Factual Findings 1-8, 11, and Legal Conclusions 1, and 17-19.

21. Cause exists to discipline Respondent G. Sedey's real estate salesperson license, pursuant to Business and Professions Code section 10177, subdivision (d), for violating real estate law, as set forth in Factual Findings 1-8, 11, and Legal Conclusions 1, 2, and 17-19.

22. Additional cause exists to discipline Respondent M. Sedey's real estate broker license, pursuant to Business and Professions Code section 10177, subdivisions (d) and (h), for failing to supervise and control the activities of Respondent MRI, as they relate to Respondent G. Sedey's misconduct, as set forth in Factual Findings 1-8, 11, and Legal Conclusions 1, 2, and 17-19.

23. There was insufficient evidence to establish cause to discipline Respondent M. Sedey's real estate broker license for negligence or incompetence, pursuant to Business and Professions Code section 10177, subdivision (g).

24. Respondent M. Sedey's credible explanation that he was inattentive to his obligations provides no defense to the conclusion that Respondents' licenses warrant discipline, but it tempers the level of discipline warranted. The public will be adequately protected by issuing restricted licenses to Respondents M. and G. Sedey. Respondents' history of license expirations and renewals calls for a longer restriction period than what the pertinent regulations suggest, in order to ensure Respondents pay proper attention to their licensure. As to Respondent MRI, it is appropriate to revoke its corporate broker license.

## ORDER

### Respondent Michael Sedey

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

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

1(c). The restricted license issued to Respondent Michael Sedey may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

1(d). Respondent Michael Sedey shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until four years have elapsed from the effective date of this Decision.

1(e). Respondent Michael Sedey 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 the restricted 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.

Respondent Gail Anne Sedey

2(a). All licenses and licensing rights of Respondent Gail Anne Sedey under the Real Estate Law are revoked; provided, however, a restricted real estate salesperson license shall be issued to Respondent Gail Anne Sedey pursuant to Section 10156.5 of the Business and Professions Code if Respondent Gail Anne Sedey makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to Respondent Gail Anne Sedey shall be subject to all of the provisions of Section 10156.7 of the Business and Professions Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

2(b). The restricted license issued to Respondent Gail Anne Sedey may be suspended prior to hearing by Order of the Real Estate Commissioner in the event of Respondent's conviction or plea of nolo contendere to a crime which is substantially related to Respondent's fitness or capacity as a real estate licensee.

2(c). The restricted license issued to Respondent Gail Anne Sedey may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted license.

2(d). Respondent Gail Anne Sedey shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until four years have elapsed from the effective date of this Decision.

2(e). Respondent Gail Anne Sedey shall submit with any application for license under an employing broker, or any application for transfer to a new employing broker, a statement signed by the prospective employing real estate broker on a form approved by the Department of Real Estate which shall certify:

That the employing broker has read the Decision of the Commissioner which granted the right to a restricted license; and

That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.

- 2(f). Respondent Gail Anne Sedey 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 the restricted license until the Respondent presents such evidence. The Commissioner shall afford Respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

Respondent Monarch Realty & Investments, Inc.

3. All licenses and licensing rights of Respondent Monarch Realty & Investments, Inc. under the Real Estate Law are revoked.

Dated: January 11, 2012



DANIEL JUAREZ  
Administrative Law Judge  
Office of Administrative Hearings

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DEPARTMENT OF REAL ESTATE

By C.N.

9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

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In the Matter of the Accusation of ) NO. H-37063 LA  
 )  
MONARCH REALTY & INVESTMENTS, INC.; )  
MICHAEL SEDEY, ) A C C U S A T I O N  
individually and as designated )  
officer of Monarch Realty & )  
Investments, Inc.; and )  
GAIL ANNE SEDEY, )  
 )  
Respondents. )  
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The Complainant, Maria Suarez, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against MONARCH REALTY & INVESTMENTS, INC.; MICHAEL SEDEY, individually and as designated officer of Monarch Realty & Investments, Inc.; and GAIL ANNE SEDEY, is informed and alleges as follows:

1

27 The Complainant, Maria Suarez, a Deputy Real Estate  
28 Commissioner of the State of California, makes this Accusation

1 in her official capacity.

2 .

3 LICENSING

4 From October 23, 1996 through January 27, 2009,  
5 Respondent MONARCH REALTY & INVESTMENTS, INC. ("MRI") was  
6 licensed or had license rights under the Real Estate Law (Part 1  
7 of Division 4 of the California Business and Professions Code)  
8 ("Code") as a real estate corporation. Respondent MRI's license  
9 expired on January 27, 2009. Respondent MRI has renewal rights  
10 under Code Section 10201. The Department retains jurisdiction  
11 pursuant Code Section 10103.

12 .

13 From on or about January 28, 2005 through January 27,  
14 2009, Respondent MRI was authorized to act by and through  
15 Respondent MICHAEL SEDEY as the officer and broker responsible  
16 pursuant to the provisions of Code Section 10159.2 for  
17 supervising and controlling the activities performed by MRI  
18 requiring a real estate license by its officers and employees,  
19 as necessary to secure full compliance with the Real Estate Law  
20 (Code Section 10000 et seq.).

22 .

23 From July 25, 1998 through the present, Respondent  
24 MICHAEL SEDEY was licensed individually, by the Department under  
25 the Real Estate Law (Part 1 of Division 4 of the Code) as a real  
26 estate broker. MICHAEL SEDEY was a principal and the designated  
27 officer of MRI.

28

5.

From October 13, 1995 through the present, Respondent GAIL ANNE SEDEY was licensed or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as a real estate salesperson. From on or about January 27, 2009 through September 16, 2009, Respondent GAIL ANNE SEDEY was licensed by the Department as "NBA" (no broker affiliation). From on or about September 17, 2009 through July 24, 2010, GAIL ANNE SEDEY was licensed by the Department as a salesperson under the employ of Respondent MICHAEL SEDEY.

6.

Whenever reference is made in an allegation in this Accusation to an act or omission of "Respondents", such allegation shall be deemed to mean the act or omission of each of the Respondents named in the caption hereof, acting individually, jointly, and severally.

7

Whenever reference is made in an allegation in this Accusation to an act or omission of MRI, such allegation shall be deemed to mean that the officers, directors, employees, agents and real estate licensees employed by or associated with MRI committed such act or omission while engaged in the furtherance of the business or operations of MRI and while acting within the course and scope of their corporate authority and employment.

8

At all times herein mentioned, each of the Respondents named in the caption hereof was acting as the agent or employee of each of the other Respondents so named, and within the course and scope of such agency or employment.

FIRST CAUSE OF ACCUSATION  
(Suspended Corporate Status)  
(MRI and MICHAEL SEDEY)

9

Complainant hereby incorporates by reference the allegations set forth in Paragraphs 1 through 8 above.

10

Respondent MRI is a California corporation. Respondent MRI was formed as a corporation on or about August 8, 1996. Respondents MICHAEL SEDEY and GAIL ANNE SEDEY are officers and directors of the corporation.

11

On January 2, 2009, the California Franchise Tax Board suspended the corporate powers, rights and privileges of Respondent MRI pursuant to the provisions of the California Revenue and Taxation Code. MRI's corporate status remains suspended.

12.

The suspension of Respondent MRI is in violation of Section 2742(c), Title 10, Chapter 6, California Code of Regulations and constitutes grounds to suspend or revoke

1 Respondent MRI's corporate real estate license pursuant to Code  
2 Sections 10177(d), 10177(g) and/or 10177(f).  
3

13.

4 Respondent MICHAEL SEDEY's failure to supervise the  
5 activities of Respondent MRI to ensure compliance with the Real  
6 Estate Law, is in violation of Code Section 10159.2 and  
7 constitutes grounds to suspend or revoke Respondent MICHAEL  
8 SEDEY's license and license rights pursuant to Code Sections  
9 10177(h), 10177(d) or 10177(g).  
10

11 SECOND CAUSE OF ACCUSATION

12 (Compensation of Unlicensed Person/Unlicensed Activity)  
13 (MRI, MICHAEL SEDEY, GAIL ANNE SEDEY)

14.

15 There is hereby incorporated in this second, separate,  
16 Cause of Accusation, all of the allegations contained in  
17 Paragraphs 1 through 13 above, with the same force and effect as  
18 if herein fully set forth.  
19

20 15.

21 At all times herein mentioned, Respondents MRI and  
22 MICHAEL SEDEY, for or in expectation of compensation, engaged in  
23 the business of, acted in the capacity of, advertised or assumed  
24 to act as real estate brokers for others in the State of  
25 California within the meaning of Code Section 10131(a) (sell or  
26 offer to sell, buy or offer to buy, solicit prospective sellers  
27 or purchasers of, solicit or obtain listings of or negotiate the  
28 purchase, sale or exchange of real property).

16.

2 For an unknown period of time beginning no later than  
3 April 10, 2009 through September of 2009, for or in expectation  
4 of compensation, and while she was employed by MRI and MICHAEL  
5 SEDEY, GAIL ANNE SEDEY solicited prospective purchasers of,  
6 solicited or obtained listings of, and negotiated the purchase,  
7 sale or exchange of real property including, but not limited to,  
8 the transactions noted below.

9 17.

10 In or around April of 2009, Respondents solicited  
11 prospective purchasers David M. Fujita and Kristina Truong-  
12 Fujita, and engaged in negotiations for the purchase of real  
13 property located at 13801 Grovesite, Tustin, California. The  
14 property was ultimately sold to different purchasers on May 11,  
15 2009. Respondent GAIL ANNE SEDEY received a commission of  
16 \$7,406.11 for the sale of the property.

17 18.

19 On or about September 9, 2009, Respondent GAIL ANNE  
20 SEDEY, acting as the listing agent for Respondent MRI, solicited  
21 prospective purchasers Karl Oing Ning and Lesley Lam Ning, and  
22 engaged in negotiations for the purchase of real property  
23 located at 23 Tisbury Way, Mission Viejo, California. The  
24 property was ultimately sold to different purchasers for a sale  
25 price lower than that offered by the Nings.

26 19.

27 The acts and omissions of Respondents in employing  
28 GAIL ANNE SEDEY to conduct activities requiring a real estate

1 license when she was not licensed by the Department as a  
2 salesperson under either Respondents' employ is cause to revoke  
3 or suspend the licenses and license rights of Respondents MRI  
4 and MICHAEL SEDEY pursuant to Code Section 10137.

5 20.

6 The acts and omissions of Respondent GAIL ANNE SEDEY  
7 in conducting activities requiring a real estate license when  
8 she was licensed by the Department as a salesperson with no  
9 broker affiliate is cause to revoke or suspend the license and  
10 license rights of Respondent GAIL ANNE SEDEY pursuant to Code  
11 Sections 10130, 10131 and 10177(d).

12 21.

13 Respondent MICHAEL SEDEY's failure to supervise the  
14 activities of Respondent MRI to ensure compliance with the Real  
15 Estate Law, is in violation of Code Section 10159.2 and  
16 constitutes additional grounds to suspend or revoke Respondent  
17 MICHAEL SEDEY's license and license rights pursuant to Code  
18 Sections 10177(h), 10177(d) or 10177(g).

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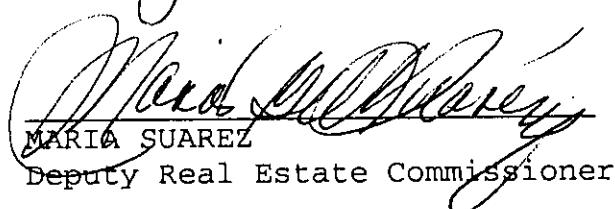
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1 WHEREFORE, Complainant prays that a hearing be  
2 conducted on the allegations of this Accusation and that upon  
3 proof thereof, a decision be rendered imposing disciplinary  
4 action against all licenses and/or license rights of Respondents  
5 MONARCH REALTY & INVESTMENTS, INC.; MICHAEL SEDEY, individually  
6 and as designated officer of Monarch Realty & Investments, Inc.;  
7 and GAIL ANNE SEDEY under the Real Estate Law (Part 1 of  
8 Division 4 of the Business and Professions Code) and for such  
9 other and further relief as may be proper under other applicable  
10 provisions of law.

11 Dated at Los Angeles, California  
12 this 7th day of July, 2011.

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MARIA SUAREZ  
Deputy Real Estate Commissioner

CC: Monarch Realty & Investments, Inc.  
Michael Sedey  
Gail Anne Sedey  
Maria Suarez  
Sacto.