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OCT 1 8 2016
BUREAU OF REAL ESTATE
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BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

MAX REAL ESTATE

SERVICES, INC.; and RHETT BUTLER STAFFORD individually and as designated officer of Max Real Estate

Services, Inc.,

Respondents,

No. H-40431 LA

 $\underline{\underline{A}} \ \underline{\underline{C}} \ \underline{\underline{C}} \ \underline{\underline{U}} \ \underline{\underline{S}} \ \underline{\underline{A}} \ \underline{\underline{T}} \ \underline{\underline{I}} \ \underline{\underline{O}} \ \underline{\underline{N}}$

The Complainant, Veronica Kilpatrick, a Supervising Special Investigator of the State of California, for cause of accusation against MAX REAL ESTATE SERVICES, INC. and RHETT BUTLER STAFFORD individually and as designated officer of Max Real Estate Services, Inc., alleges as follows:

1. The Complainant, Veronica Kilpatrick, acting in her official capacity as a Supervising Special Investigator of the State of California, makes this Accusation against MAX REAL ESTATE SERVICES, INC., and RHETT BUTLER STAFFORD.

2. MAX REAL ESTATE SERVICES, INC., and RHETT BUTLER STAFFORD individually and as designated officer of Max Real Estate Services, Inc. (hereinafter referred to as "Respondents") are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter Code).

- 3. At all times herein mentioned, Respondents MAX REAL ESTATE SERVICES, INC., and RHETT BUTLER STAFFORD were licensed as real estate brokers. Respondent STAFFORD was the designated officer and pursuant to Code Section 10159.2 was 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 the real estate law including supervision of salespersons licensed to the corporation in the performance of acts for which a real estate license is required.
- 4. At all times material herein, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers in the State of California within the meaning of Section 10131(a) of the Code including soliciting buyers and sellers, and negotiating the sale of real property.
- 5. On or about June 6, 2016, the Bureau completed an examination of Respondent MAX REAL ESTATE SERVICES, INC.'s books and records, pertaining to the activities described in Paragraph 4 above, covering a period from March 1, 2013, through April 30, 2016, which examination revealed violations of the Code and of

Title 10, Chapter 6, California Code of Regulations (hereinafter Regulations) as set forth below.

- 6. In the course of activities described in Paragraphs 4 through 5 and during the examination period described in Paragraph 5, Respondents MAX REAL ESTATE SERVICES, INC., and RHETT BUTLER STAFFORD acted in violation of the Code and the Regulations as follows, and as more specifically set forth in Audit Report No. LA 150139 and related exhibits:
- a. Violated Code Section 10140.6(b) by not disclosing their Nationwide Mortgage Licensing System and Register ID number on purchase agreements.
- b. Violated Regulation 2731 by using the unlicensed fictitious names "Max Real Estate Services" and "MAXRES" without first obtaining a license bearing such name.
- C. The California Franchise Tax Board suspended the powers, rights and privileges of MAX REAL ESTATE SERVICES, INC. on March 1, 2011, pursuant to the provisions of the California Revenue and Taxation Code.
- 7. The conduct, acts and/or omissions of Respondents, as alleged above, subjects their real estate licenses and license rights to suspension or revocation pursuant to Sections 10177(d) and 10177(g) of the Code.

FAILURE TO SUPERVISE

8. The conduct, acts and/or omissions of Respondent STAFFORD, in failing to ensure full compliance with the Real Estate Law is in violation of Code Section 10159.2 and subjects

his real estate licenses and license rights to suspension or revocation pursuant to Sections 10177(d), 10177(g), and 10177(h) of the Code.

COST RECOVERY

Code Section 10106 provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the bureau, the commissioner may request the administrative law judge to direct a licensee found to have committed a violation of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all licenses and license rights of Respondents under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the cost of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at San Diego, California this Aday of California, 2016.

cc: Max Real Estate Services, Inc.
Rhett Butler Stafford
Veronica Kilpatrick
Sacto.