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FILED

8/2/18

DEPARTMENT OF REAL ESTATE

By *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H- 41128 LA
)	
PEABODY REALTY INC, doing business)	<u>ACCUSATION</u>
as California Coastal Real Estate and)	
California Coastal Realty, and)	
STEPHAN KLEIN, individually and as)	
designated officer of Peabody Realty Inc,)	
)	
Respondents.)	

The Complainant, Maria Suarez, a Supervising Special Investigator of the State of California, for cause of Accusation against PEABODY REALTY INC, doing business as California Coastal Real Estate and California Coastal Realty, and STEPHAN KLEIN, individually and as designated officer of Peabody Realty Inc, ("Respondents"), is informed and alleges as follows:

1.

The Complainant, Maria Suarez, acting in her official capacity as a Supervising Special Investigator of the State of California, makes this Accusation against PEABODY REALTY INC and STEPHAN KLEIN.

Accusation of Peabody Realty Inc and Stephan Klein

2.

Respondent PEABODY REALTY INC, doing business as California Coastal Real Estate and California Coastal Realty ("PEABODY REALTY"), presently has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code ("Code"), as a corporate real estate broker.

3.

Respondent STEPHAN KLEIN ("KLEIN") presently has license rights as a real estate broker.

4.

Respondent PEABODY REALTY is licensed by the Department of Real Estate as a corporate real estate broker by and through Respondent KLEIN, as the designated officer and broker responsible, pursuant to Code section 10159.2, for supervising the activities requiring a real estate license conducted on behalf of PEABODY REALTY, or by PEABODY REALTY'S officers, agents and employees.

5.

In aggravation, on or about May 30, 2014, the Bureau of Real Estate filed an Order to Desist and Refrain against Respondent PEABODY REALTY and an Order to Notify against Respondent KLEIN ("Order") in Case No. H-39476 LA. Within the Order, the Commissioner found that the rights and privileges of PEABODY REALTY were currently suspended by the California Secretary of State pursuant to the provisions of the California Revenue and Taxation Code, and that said suspension was in violation of Code sections 10177(d) and 10177(f) in that it would have constituted grounds for the denial of PEABODY REALTY'S corporate real estate broker license under Title 10, Chapter 6, California Code of Regulations ("Regulations"), section 2742. Within the Order, the Commissioner ordered KLEIN to notify each real estate salesperson employed under the real estate license of PEABODY REALTY of the contents of the Order.

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Accusation of Peabody Realty Inc and Stephan Klein

1 FIRST CAUSE OF ACTION

2 (LACK OF GOOD STANDING FOR CORPORATION)

3 6.

4 Respondent PEABODY REALTY has not been in good legal standing with the
5 Office of the Secretary of State for the State of California since March 1, 2017, when
6 PEABODY REALTY'S status became "suspended" and remains suspended to date.

7 7.

8 This lack of good legal standing of Respondent PEABODY REALTY with the
9 Office of the Secretary of State for the State of California, as described in Paragraph 6 above, is
10 in violation of Regulations section 2742, and subjects its real estate license and license rights to
11 suspension or revocation pursuant to Code sections 10177(d), 10177(f), and/or 10177(g).

12 SECOND CAUSE OF ACTION

13 (FAILURE TO SUPERVISE)

14 8.

15 The conduct, acts, or omissions of Respondent KLEIN, as described in
16 Paragraphs 6 and 7 above, in failing to ensure compliance of the Real Estate Law by
17 Respondent PEABODY REALTY, is in violation of Code section 10159.2, and subjects all the
18 licenses and license rights of Respondent KLEIN to suspension or revocation pursuant to Code
19 sections 10177(d), 10177(g), and/or 10177(h).

20 9.

21 Code section 10106 provides, in pertinent part, that in any order issued in
22 resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner
23 may request the administrative law judge to direct a licensee found to have committed a
24 violation of this part to pay a sum not to exceed the reasonable costs of the investigation and
25 enforcement of the case.

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1 WHEREFORE, Complainant prays that a hearing be conducted on the
2 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
3 disciplinary action against all the licenses and license rights of Respondents PEABODY
4 REALTY INC and STEPHAN KLEIN under the Real Estate Law, for the cost of investigation
5 and enforcement as permitted by law, and for such other and further relief as may be proper
6 under other applicable provisions of law.

7
8 Dated at Los Angeles, California

9 this 27 day of July, 2018

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11 
12 Maria Suarez
13 Supervising Special Investigator

14 cc: PEABODY REALTY INC
15 STEPHAN KLEIN
16 Maria Suarez
17 Sacto.
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