

SEP 21 2018

BUREAU OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of:) DRE No. H-41128 LA
)
 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.,)
 Respondent(s).)

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on September 10, 2018, and the Findings of Fact set forth herein, which are based on one or more of the following: (1) The express admissions of Respondents, PEABODY REALTY INC., and STEPHAN KLEIN, individually and as designated officer of Peabody Realty Inc., ("Respondents"); (2) affidavits; and (3) other evidence.

This Decision revokes one or more real estate license and/or license rights pursuant to the Real Estate Law, Part I of Division 4, of the Business and Professions Code ("the Code") Sections 10177(d) and 10177(f), 10177(g) and 10177(h).

Pursuant to Government Code Section 11521, the California Department of Real Estate ("the Department") may order reconsideration of this Decision on petition of any party. The party seeking reconsideration shall set forth new facts, circumstances, and evidence, or errors in law or analysis, that show(s) grounds and good cause for the Commissioner to reconsider the Decision. If new evidence is presented, the party shall specifically identify the new evidence and explain why it was not previously presented. The Department's power to order reconsideration of this Decision shall expire 30 days after mailing of this Decision, or on the effective date of this Decision, whichever occurs first. The right to reinstatement of a revoked real estate license, or to the reduction of a penalty, is controlled by Section 11522 of the Government Code. A copy of Government Code Sections 11521 and 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

FINDINGS OF FACT

1.

On July 27, 2018, Maria Suarez made the Accusation in her official capacity as a Supervising Special Investigator of the Department. The Accusation, Statement to Respondent, and Notice of Defense were mailed, by certified mail, return receipt requested, to Respondent's last known mailing address on file with the Department on August 02, 2018.

On September 10, 2018, no Notice of Defense having been received or filed herein within the time prescribed by Section 11506 of the Government Code, Respondents' default was entered herein.

2.

Respondent PEABODY REALTY INC., doing business as California Coastal Real Estate and California Coastal Realty ("PEABODY REALTY"), and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the 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.

Attached as Exhibit "A" is a true and correct copy of the Accusation filed on August 02, 2018, which is incorporated herein as part of this Decision.

DETERMINATION OF ISSUES

6.

In aggravation, on or about May 30, 2014, the Department 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.

FIRST CAUSE OF ACTION

(LACK OF GOOD STANDING FOR CORPORATION)

7.

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

8.

This lack of good legal standing of Respondent PEABODY REALTY with the Office of the Secretary of State for the State of California, as described in Paragraph 7 above, is in violation of Regulations section 2742, and subjects its real estate license and license rights to suspension or revocation pursuant to Code Sections 10177(d), 10177(f), and/or 10177(g).

SECOND CAUSE OF ACTION

(FAILURE TO SUPERVISE)

9.

The conduct, acts, or omissions of Respondent KLEIN, as described in Paragraphs 7 and 8 above, in failing to ensure compliance of the Real Estate Law by Respondent PEABODY REALTY, is in violation of Code section 10159.2, and subjects all the licenses and license rights of Respondent KLEIN to suspension or revocation pursuant to Code Sections 10177(d), 10177(g), and 10177(h).

10.

The standard of proof applied was clear and convincing evidence to a reasonable certainty.

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ORDER

All licenses and licensing rights of Respondents PEABODY REALTY INC., and
STEPHAN KLEIN under the provisions of Part I of Division 4 of the Business and Professions
Code are revoked.

This Decision shall become effective at 12 o'clock noon on October 11, 2018.

DATED: September 17, 2018.

DANIEL J. SANDRI
ACTING REAL ESTATE COMMISSIONER




FILED

Department of Real Estate
320 West Fourth St, Ste 350
Los Angeles, CA, 90013

September 10, 2018

DEPARTMENT OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

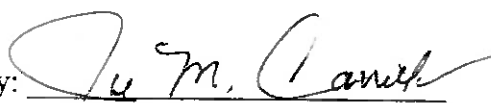
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In the Matter of the Accusation of:)	DRE NO. H-41128 LA
)	
PEABODY REALTY INC, doing business)	<u>DEFAULT ORDER</u>
as California Coastal Real Estate and)	
California Coastal Realty, and)	
STEPHAN KLEIN, individually)	
and as designated officer of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

Respondents PEABODY REALTY INC. and STEPHAN KLEIN, having failed to file a Notice of Defense within the time required by Section 11506 of the Government Code, is now in default. It is, therefore, ordered that a default be entered on the record in this matter.

IT IS SO ORDERED SEPTEMBER 10, 2018.

DANIEL J. SANDRI
ACTING REAL ESTATE COMMISSIONER

By: 
JOSEPH M. CARRILLO
Managing Deputy Commissioner IV