

1 Department of Real Estate  
320 West 4th Street, Ste. 350  
2 Los Angeles, California 90013-1105  
Telephone: (213) 576-6982  
3  
4  
5  
6  
7  
8

**FILED**  
JUL 03 2020  
DEPT. OF REAL ESTATE  
By Zari

9 BEFORE THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Accusation of	)	No. H-41246 LA
	)	OAH No. 2019021108.1
	)	
13 MELVIN JAMES BURRELL,	)	<b><u>STIPULATION</u></b>
individually and as Designated Officer	)	<b><u>AND</u></b>
14 of Regal Service Group;	)	<b><u>AGREEMENT</u></b>
	)	
15 and	)	
	)	
16	)	
REGAL SERVICE GROUP,	)	
	)	
17	)	
	)	
18 Respondents.	)	

19 It is hereby stipulated by and between Respondents MELVIN JAMES  
20 BURRELL ("BURRELL") and REGAL SERVICE GROUP ("RSG"), and the Complainant,  
21 acting by and through Julie L. To, Counsel for the Department of Real Estate ("Department" or  
22  
23

1 “DRE”), as follows for the purpose of settling and disposing of the Accusation (“Accusation”)  
2 filed on December 14, 2018, in Case No. H-41246 LA, in this matter.

3 1. All issues which were to be contested and all evidence which was to be  
4 presented by Complainant and Respondents at a formal hearing on the Accusation, which  
5 hearing was to be held in accordance with the provisions of the Administrative Procedure Act  
6 (“APA”), shall instead and in place thereof be submitted solely on the basis of the provisions of  
7 this Stipulation and Agreement (“Stipulation”).

8 2. Respondents have received, read and understand the Statement to Respondent,  
9 the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate  
10 (“Department”) in this proceeding.

11 3. On February 26, 2019, Respondents timely filed Notices of Defense pursuant  
12 to Section 11506 of the Government Code for the purpose of requesting a hearing on the  
13 allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said Notices  
14 of Defense. Respondents acknowledge that they understand that by withdrawing said Notices of  
15 Defense they thereby waive their right to require the Commissioner to prove the allegations in  
16 the Accusation at a contested hearing held in accordance with the provisions of the APA and that  
17 they will waive other rights afforded to them in connection with the hearing such as the right to  
18 present evidence in their defense and the right to cross-examine witnesses.

19 4. This Stipulation is based on the factual allegations contained in the  
20 Accusation. In the interest of expedience and economy, Respondents choose not to contest these  
21 allegations, but to remain silent, and understand that, as a result thereof, these factual allegations,  
22 without being admitted or denied, will serve as a prima facie basis for the disciplinary action  
23 stipulated to herein. The Real Estate Commissioner shall not be required to provide further  
24 evidence to prove said factual allegations.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

5. This Stipulation is made for the purpose of reaching an agreed disposition of this proceeding and is expressly limited to this proceeding and any other proceeding or case in which the Department or another licensing agency of this state, another state, or if the federal government is involved, and otherwise shall not be admissible in any other criminal or civil proceeding.

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

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

8. Respondents understand that by agreeing to this Stipulation, Respondents agree to pay, pursuant to Business and Professions Code ("Code") Section 10148, the cost of the audits which resulted in the determination that Respondents committed the violations found in the Determination of Issues. The amount of said costs for the original audit of MELVIN JAMES BURRELL (LA170128) is \$6,918.76; the amount of said costs for the original audit of REGAL SERVICE GROUP (LA170169) is \$3,571.34. Respondent BURRELL agrees to pay,

1 pursuant to Code Section 10148 and the DRE Invoice #CA-M4516, \$4,751.50 for the cost of  
2 Audit No. LA170128.

3 9. Respondents have received, read, and understand the "Notice Concerning  
4 Costs of Subsequent Audit." Respondents further understand that by agreeing to this  
5 Stipulation, the findings set forth below in the Determination of Issues become final, and the  
6 Commissioner may charge Respondents for the cost of any subsequent audits conducted  
7 pursuant to Code Section 10148 to determine if the violations have been corrected. The  
8 maximum cost of the follow-up audits will not exceed one-hundred twenty-five percent (125%)  
9 of the cost of the original audit. In the instant case:

10 A. The cost of the original audit (LA170128) of MELVIN JAMES  
11 BURRELL is \$6,918.76, and the maximum cost of the follow-up audit  
12 will not exceed \$8,648.45. Therefore, Respondent BURRELL may be  
13 charged a maximum of \$8,648.45 in the event of a subsequent audit.

14 B. The cost of the original audit (LA170169) of REGAL SERVICE  
15 GROUP is \$3,571.34, and the maximum cost of the follow-up audit will  
16 not exceed \$4,464.18.

17 10. Respondents understand that by agreeing to this Stipulation, Respondents  
18 agree to pay, jointly and severally, pursuant to Code Section 10106, the Commissioner's cost of  
19 the investigation and enforcement which resulted in the determination that Respondents  
20 committed the violations found in the Determination of Issues. The amount of said investigation  
21 pursuant to Code Section 10106 is \$1,079.50, and the amount of enforcement costs pursuant to  
22 Code Section 10106 is \$934.50, for a total investigation and enforcement cost of \$2,014.00;  
23 therefore, Respondents agree to pay, pursuant to Code Section 10106, the amount \$2,014.00.  
24

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

DETERMINATION OF ISSUES

By reason of the foregoing stipulations, admissions and waivers, and solely for the purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed that the following determination of issues shall be made:

The conduct, acts or omissions of Respondent BURRELL, as described in Paragraph 4, herein above, are in violation of: Code Section 10145 and Title 10, Chapter 6, California Code of Regulations ("Regulation") 2832.1, 2950(g) and 2951; Code Sections 10145 and 10176(i); Financial Code Section 17006(a)(4); Code Sections 10130 and 10159.5 and Regulation 2731; Code Section 10145 and Regulations 2832, 2950(f), and 2951; Code Section 10145 and Regulation 2831, 2950(d) and 2951; Code Section 10145 and Regulation 2831.1, 2950(d), and 2951; Code Section 10145 and Regulation 2831.2, 2950(d), and 2951; Code Section 10141.6; Regulation 2950(h); Code Section 10161.8 and Regulation 2752; and Code Section 10177(h) and Regulation 2725, and are bases for the suspension or revocation of the licenses and license rights of Respondent BURRELL as a violation of the Real Estate Law pursuant to Code Sections 10177(d), 10177(g), and 10177(h).

The conduct, acts or omissions of Respondent RSG, as described in Paragraph 4, herein above, are in violation of: Code Section 10161.8 and Regulation 2731 and Code Section 10159.5 and Regulation 2731. ; Code Sections 10145, 10176(i) and 10177(j); Code Sections 10145 and 10176(e); and [as to ROGERS only] Code Sections 10159.2 and 10177(h) and Regulation 2725; and are bases for the suspension or revocation of the licenses and license rights of Respondents RSG as a violation of the Real Estate Law pursuant to Code Sections 10177(d), 10177(g), and [BURRELL only] 10177(h).

///

///

///

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

All licenses and licensing rights of Respondents REGAL SERVICE GROUP and MELVIN JAMES BURRELL under the Real Estate Law are revoked; provided, however:

- (1) a restricted real estate corporation license shall be issued to Respondent RSG and
- (2) a restricted real estate broker license shall be issued to Respondent BURRELL, both to be issued pursuant to Section 10156.5 of the Code if Respondents RSG and BURRELL make respective applications therefore and pay to the Department the appropriate fees for each of their restricted licenses within ninety (90) days from the effective date of this Decision and Order. The restricted licenses issued to Respondents RSG and BURRELL shall be subject to all of the provisions of Section 10156.7 of the Code and to the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of the Code:

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

2. The restricted licenses issued to Respondents RSG and BURRELL may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that the respective 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 licenses.

///  
///

1  
2 3. Respondents RSG and BURRELL shall not be eligible to apply for the  
3 issuance of unrestricted real estate licenses nor for removal of any of the conditions, limitations  
4 or restrictions of a restricted license until two (2) years have elapsed from the effective date of  
5 this Decision and Order.

6 4. Respondent BURRELL shall, within twelve (12) months from the effective  
7 date of this Decision and Order, take and pass the Professional Responsibility Examination  
8 administered by the Department, including the payment of the appropriate examination fee. If  
9 Respondent BURRELL fails to satisfy this condition, Respondent BURRELL's real estate  
10 license shall automatically be suspended until Respondent BURRELL passes the examination.

11 5. Respondent BURRELL shall, within twelve (12) months from the effective  
12 date of this Decision and Order, present evidence satisfactory to the Commissioner that  
13 Respondent BURRELL has, since the most recent issuance of an original or renewal real estate  
14 license, taken and successfully completed the continuing education requirements of Article 2.5  
15 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If Respondent  
16 BURRELL fails to satisfy this condition, Respondent BURRELL's real estate license shall  
17 automatically be suspended until Respondent BURRELL presents evidence satisfactory to the  
18 Commissioner of having taken and successfully completed the continuing education  
19 requirements. Proof of completion of the continuing education courses must be delivered to the  
20 Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013.

21 6. All license and licensing rights of Respondent BURRELL are indefinitely  
22 suspended unless or until Respondent BURRELL provides evidence satisfactory to the  
23 Commissioner or having taken and successfully completed the continuing education course on  
24 trust fund accounting and handling specified in paragraph (3) of subdivision (a) of Section  
10170.5 of the Business and Professions Code. Proof of satisfaction of these requirements  
includes evidence that Respondent has successfully completed the trust fund account and

1 handling continuing education courses, no earlier than one hundred and twenty (120) days prior  
2 to the effective date of the Decision and Order in this matter. Proof of completion of the trust  
3 fund accounting and handling course must be delivered to the Department of Real Estate, Flag  
4 Section at P.O. Box 137013, Sacramento, CA 95813-7013.

5           7. All licenses and licensing rights of Respondents RSG and BURRELL are  
6 indefinitely suspended unless or until Respondents RSG and BURRELL jointly and severally  
7 pay the sum of \$2,014.00 for the Commissioner's reasonable cost of the investigation and  
8 enforcement which led to this disciplinary action. Said payment shall be in the form of a  
9 cashier's check or certified check made payable to the Department of Real Estate. The  
10 investigation and enforcement costs must be delivered to the Department of Real Estate, Flag  
11 Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this  
12 Decision and Order.

13           8. Pursuant to Section 10148 of the Code, Respondent BURRELL shall pay the  
14 sum of \$4,751.50 for the Commissioner's cost of the audit (LA170128) which led to this  
15 disciplinary action. Respondent BURRELL shall pay such cost within sixty (60) days of  
16 receiving an invoice therefore from the Commissioner. Payment of audit costs should not be  
17 made until Respondent BURRELL receives the invoice. If Respondent BURRELL fails to  
18 satisfy this condition in a timely manner as provided for herein, Respondent BURRELL's real  
19 estate licenses shall automatically be suspended until payment is made in full, or until a decision  
20 providing otherwise is adopted following a hearing held pursuant to this condition.

21 ///

22 ///

23 ///

24 ///



1  
2 9. Pursuant to Section 10148 of the Code, Respondent BURRELL shall pay the  
3 Commissioner's reasonable cost, not to exceed \$8,648.45 [or, 125% of the original audit cost for  
4 audit LA170128], for a subsequent audit to determine if Respondent BURRELL has corrected  
5 the violations found in the Determination of Issues. In calculating the amount of the  
6 Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary  
7 for all persons performing audits of real estate brokers, and shall include an allocation for travel  
8 time to and from the auditor's place of work. Respondent BURRELL shall pay such cost within  
9 sixty (60) days of receiving an invoice therefore from the Commissioner. Payment of the audit  
10 costs [of the subsequent audit] should not be made until Respondent BURRELL receives the  
11 invoice. If Respondent BURRELL fails to satisfy this condition in a timely manner as provided  
12 for herein, Respondent BURRELL's real estate licenses shall automatically be suspended until  
13 payment is made in full, or until a decision providing otherwise is adopted following a hearing  
14 held pursuant to this condition.

15 10. Pursuant to Section 10148 of the Code, Respondent RSG shall pay the  
16 Commissioner's reasonable cost, not to exceed \$4,464.18 [or, 125% of the original audit cost for  
17 audit LA170169], for a subsequent audit to determine if Respondent RSG has corrected the  
18 violations found in the Determination of Issues. In calculating the amount of the  
19 Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary  
20 for all persons performing audits of real estate brokers, and shall include an allocation for travel  
21 time to and from the auditor's place of work. Respondent RSG shall pay such cost within sixty  
22 (60) days of receiving an invoice therefore from the Commissioner. Payment of the audit costs  
23 [of the subsequent audit] should not be made until Respondent RSG receives the invoice. If  
24 Respondent RSG fails to satisfy this condition in a timely manner as provided for herein,  
Respondent RSG's real estate licenses shall automatically be suspended until payment is made

1 in full, or until a decision providing otherwise is adopted following a hearing held pursuant to  
2 this condition.

3  
4 DATED: 5-29-20



5 Julie L. To, Counsel for  
6 Department of Real Estate

7 \* \* \*

8 EXECUTION OF THE STIPULATION

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

16 MAILING AND FACSIMILE

17 Respondents can signify acceptance and approval of the terms and conditions of  
18 this Stipulation and Agreement by sending a hard copy of the original signed signature page of  
19 the Stipulation herein to Julie L. To, Legal Section, Department of Real Estate, 320 W. Fourth  
20 St., Suite 350, Los Angeles, California 90013-1105. In the event of time constraints before an  
21 administrative hearing, Respondents can signify acceptance and approval of the terms and  
22 conditions of this Stipulation and Agreement by e-mailing a scanned copy of the signature page,  
23 as actually signed by Respondents, to the Department counsel assigned to this  
24 case. Respondents agree, acknowledge, and understand that by electronically sending to the  
Department a scan of Respondents' actual signatures as they appear on the Stipulation and

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

Agreement, that receipt of the scan by the Department shall be binding on Respondents as if the Department had received the original signed Stipulation and Agreement.

DATED: 5/25/20

*Melvin James Burrell*  
MELVIN JAMES BURRELL, Respondent

DATED: 5/25/20

*Melvin James Burrell*  
REGAL SERVICE GROUP, Respondent  
By: MELVIN JAMES BURRELL, Designated Officer

\*\*\*

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondents REGAL SERVICE GROUP and MELVIN JAMES BURRELL, individually and as designated officer of REGAL SERVICE GROUP, and shall become effective at 12 o'clock noon on AUG 03 2020, 2020.

IT IS SO ORDERED 4.26.20, 2020.

DOUGLAS R. McCAULEY  
REAL ESTATE COMMISSIONER

*Douglas R. McCauley*