

1 Department of Real Estate
2 320 W. 4th Street, Suite 350
3 Los Angeles, CA 90013-1105
4 Telephone: (213) 576-6982

FILED

JAN 14 2020

DEPT. OF REAL ESTATE

By *Zni J*

8 **BEFORE THE DEPARTMENT OF REAL ESTATE**
9 **STATE OF CALIFORNIA**

10 * * *

11 **In the Matter of the Accusation Against**)
12 **RYLAN DAVID ROZELL,**)
13 **individually and as Designated Officer**)
14 **of Cresco Property Management, Inc.**)
15 **and Rozell Property Management, Inc.;**)
16 **CRESKO PROPERTY**)
17 **MANAGEMENT, INC.; and ROZELL**)
PROPERTY MANAGEMENT, INC.,)
Respondents.)

No. H-41316 LA
OAH No. 2019060299

STIPULATION AND AGREEMENT

As to Respondent Rylan David Rozell only

18 It is hereby stipulated by and between Respondent RYLAN DAVID ROZELL
19 (sometimes referred to as "Respondent"), acting by and through his attorney, Steven C. Vondran,
20 Esq., and the Complainant, acting by and through Judith B. Vasan, Counsel for the Department
21 of Real Estate, as follows for the purpose of settling and disposing of the Accusation
22 ("Accusation") filed on March 11, 2019, in this matter:

- 23 1. All issues which were to be contested and all evidence which was to be
24 presented by Complainant and Respondent at a formal hearing on the Accusation, which hearing
25 was to be held in accordance with the provisions of the Administrative Procedure Act ("APA"),
26 shall instead and in place thereof be submitted solely on the basis of the provisions of this
27 Stipulation and Agreement ("Stipulation").

STIPULATION AND AGREEMENT

1 2. Respondent has received, read and understands the Statement to Respondent,
2 the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate
3 (“Department”) in this proceeding.

4 3. On April 2, 2019, Respondent filed a Notice of Defense pursuant to Section
5 11506 of the Government Code for the purpose of requesting a hearing on the allegations in the
6 Accusation. Respondent hereby freely and voluntarily withdraws said Notice of Defense.
7 Respondent acknowledges that he understands that by withdrawing said Notice of Defense
8 Respondent thereby waives his right to require the Commissioner to prove the allegations in the
9 Accusation at a contested hearing held in accordance with the provisions of the APA and that
10 Respondent will waive other rights afforded to him in connection with the hearing such as the
11 right to present evidence in their defense, and the right to cross-examine witnesses.

12 4. Respondent, pursuant to the limitations set forth below, hereby admits that the
13 allegations as set forth in the Accusation, in Case No. H-41316 LA, as to Respondent are true
14 and correct and the Real Estate Commissioner shall not be required to provide further evidence
15 of such allegations.

16 5. It is understood by the parties that the Real Estate Commissioner may adopt
17 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on
18 Respondent’s real estate licenses and license rights as set forth in the below “Order.” In the event
19 that the Commissioner in his discretion does not adopt the Stipulation, the Stipulation shall be
20 void and of no effect and Respondent shall retain the right to a hearing and proceed on the
21 Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver
22 made herein.

23 6. The Order or any subsequent Order of the Real Estate Commissioner made
24 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further
25 administrative or civil proceedings by the Department with respect to any matters which were
26 not specifically alleged to be causes for accusation in this proceeding.

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1 7. Respondent understands that by agreeing to this Stipulation, Respondent
2 agrees to pay, jointly and severally with Respondents Rozell Property Management, Inc. and
3 Cresco Property Management, Inc., pursuant to Business and Professions Code ("Code") Section
4 10148, the costs of the audit which led to this disciplinary action. The amount of said costs is
5 \$11,496.05.

6 8. Respondent understands that, as president, secretary, and owner of Lockhart
7 Investments, a licensed corporate real estate broker with license ID 01993678, Lockhart
8 Investments may be subject to an audit to ensure its books and records are in compliance with
9 the Real Estate Law and the Commissioner's Regulations.

10 **DETERMINATION OF ISSUES**

11 By reason of the foregoing, it is stipulated and agreed that the following
12 determination of issues shall be made:

13 The conduct, acts or omissions of Respondent RYLAN DAVID ROZELL, as set
14 forth in the Accusation, are in violation of Code section 10159.2 and Section 2725 of Title 10,
15 Chapter 6, of the California Code of Regulations and are a basis for discipline of Respondent
16 RYLAN DAVID ROZELL's license(s) and license rights pursuant to Code sections 10177(d),
17 10177(g), and/or 10177(h).

18 **ORDER**

19 WHEREFORE, THE FOLLOWING ORDER is hereby made:

20 I.

21 All licenses and licensing rights of Respondent RYLAN DAVID ROZELL under
22 the Real Estate Law are revoked; provided, however, a restricted real estate broker license shall
23 be issued to Respondent pursuant to Section 10156.5 of the Business and Professions Code if
24 Respondent makes application therefor and pays to the Department of Real Estate the
25 appropriate fee for the restricted license within 90 days from the effective date of this Decision.
26 The restricted license issued to Respondent shall be subject to all of the provisions of Section
27

STIPULATION AND AGREEMENT

1 10156.7 of the Business and Professions Code and to the following limitations, conditions and
2 restrictions imposed under authority of Section 10156.6 of that Code:

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

7 2. The restricted license issued to Respondent may be suspended prior to hearing
8 by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that
9 Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands
10 Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted
11 license.

12 3. Respondent shall not be eligible to petition for the issuance of any unrestricted
13 real estate license nor for removal of any of the conditions, limitations or restrictions of a
14 restricted license until three (3) years have elapsed from the effective date of this Decision and
15 Order. Respondent shall not be eligible to apply for any unrestricted licenses until all restrictions
16 attaching to the license have been removed.

17 II.

18 Pursuant to Code section 10148, Respondent shall pay, jointly and severally with
19 Respondents Rozell Property Management, Inc. and Cresco Property Management, Inc., the
20 Commissioner's reasonable costs for the audit which led to this disciplinary action in the amount
21 of \$11,496.05. Respondent shall pay such costs within sixty (60) days of receiving an invoice
22 therefore from the Commissioner. Payment of the audit costs should not be made until
23 Respondent receive the invoice. If Respondent fails to satisfy this condition in a timely manner
24 as provided for herein, Respondent' real estate licenses shall automatically be suspended until
25 payment is made in full, or until a decision providing otherwise is adopted following a hearing
26 held pursuant to this condition.

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III.

Pursuant to Code section 10148 of the Code, Respondent shall pay the
Commissioner's reasonable cost, not to exceed \$14,370.06, for a subsequent audit to determine if Respondent has corrected the violation(s) found in the Determination of Issues. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. Respondent shall pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner. Payment of the audit costs should not be made until Respondent receives the invoice. If Respondent fails to satisfy this condition in a timely manner as provided for herein, Respondent's real estate license shall automatically be suspended until payment is made in full, or until a decision providing otherwise is adopted following a hearing held pursuant to this condition.

IV.

All licenses and licensing rights of Respondent are indefinitely suspended unless
or until Respondent pays, jointly and severally with Respondents Rozell Property Management, Inc. and Cresco Property Management, Inc., the sum of \$3,127.30 for the Commissioner's reasonable costs of the investigation and enforcement which led to this disciplinary action. Said payment shall be in the form of a cashier's check made payable to the Department of Real Estate. The investigative and enforcement costs must be delivered to the Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this Decision and Order.

V.


All licenses and licensing rights of Respondent are indefinitely suspended unless
or until Respondent provides proof satisfactory to the Commissioner, of having taken and successfully completed the continuing education course on 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

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

6 VI.

7 All licenses and licensing rights of Respondent are indefinitely suspended unless
8 or until Respondent provides proof satisfactory to the Commissioner, of having taken and
9 successfully completed the continuing education course on ethics, professional conduct, and
10 legal aspects as specified in paragraph (1) of subdivision (a) of Section 10170.5 of the Business
11 and Professions Code. Proof of satisfaction of these requirements includes evidence that
12 Respondent has successfully completed the ethics, professional conduct, and legal aspects
13 continuing education course, no earlier than 120 days prior to the effective date of the Decision
14 and Order in this matter. Proof of completion of the trust fund accounting and handling course
15 must be delivered to the Department of Real Estate, Flag Section at P.O. Box 137013,
16 Sacramento, CA 95813-7013 prior to the effective date of this Decision and Order.

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20 DATED: 11-15-2019

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23 Judith B. Vasan, Counsel for
24 Department of Real Estate

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2 EXECUTION OF THE STIPULATION

3 I have read the Stipulation, have discussed it with counsel, and its terms are
4 understood by me and are agreeable and acceptable to me. I understand that I am waiving rights
5 given to me by the California Administrative Procedure Act (including but not limited to
6 Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly, intelligently
7 and voluntarily waive those rights, including the right of requiring the Commissioner to prove
8 the allegations in the Accusation at a hearing at which I would have the right to cross-examine
9 witnesses against me and to present evidence in defense and mitigation of the charges.

10 Respondent shall mail the original signed signature page of the stipulation herein
11 to Judith B. Vasan, Attention: Legal Section, Department of Real Estate, 320 W. Fourth St.,
12 Suite 350, Los Angeles, California 90013-1105.

13 In the event of time constraints before an administrative hearing, Respondent can
14 signify acceptance and approval of the terms and conditions of this Stipulation and Agreement
15 by emailing a scanned copy of the signature page, as actually signed by Respondent, to the
16 Department counsel assigned to this case. Respondent agrees, acknowledges and understands
17 that by electronically sending the Department a scan of Respondent's actual signature as it
18 appears on the Stipulation and Agreement that receipt of the scan by the Department shall be
19 binding on Respondent as if the Department had received the original signed Stipulation.

20 Respondent shall also mail the original signed signature page of this Stipulation to the
21 Department counsel.

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Respondent's signature below constitutes acceptance and approval of the terms and conditions of this Stipulation. Respondent agrees, acknowledges and understands that by signing this Stipulation, Respondent is bound by its terms as of the date of such signatures and that this agreement is not subject to rescission or amendment at a later date except by a separate Decision and Order of the Real Estate Commissioner.

DATED: 11/15/2019


RYLAN DAVID ROZELL
Respondent

DATED: 11/15/19


Steven C. Vondran, Esq.
Counsel for Respondent
Approved as to Form

~~The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondent RYLAN DAVID ROZELL and shall become effective at 12 o'clock noon on FEB 03 2020.~~

IT IS SO ORDERED 11/2/2020

SANDRA KNAU
ACTING REAL ESTATE COMMISSIONER
