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DEPT. OF REAL ESTATE

By *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 In the Matter of the Accusation against

DRE No. H-42209 LA

11 SCOTTY SETH CARLISLE,

ACCUSATION

12 Respondent.
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14 The Complainant, Veronica Kilpatrick, a Supervising Special Investigator for the
15 Department of Real Estate¹ ("Department") of the State of California, for cause of Accusation
16 against SCOTTY SETH CARLISLE ("Respondent") aka Scotty Carlisle and Seth Carlisle, is
17 informed and alleges as follows:

18 1. The Complainant, Veronica Kilpatrick, a Supervising Special Investigator for the
19 Department, makes this Accusation in her official capacity.

20 2. All references to the "Code" are to the California Business and Professions
21 Code, all references to the "Real Estate Law" are to Part 1 of Division 4 of the Code, and all
22 references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.
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24 ¹ Between July 1, 2013 and July 1, 2018, the Department of Real Estate operated as the Bureau of Real Estate under the Department of Consumer Affairs.

3. Respondent is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code).

4. From August 5, 2006, through the present, Respondent has been licensed by the Department as a real estate salesperson, License ID 01743438. Unless renewed, Respondent's license is scheduled to expire on September 16, 2023. Respondent has renewal rights pursuant to Code section 10201. The Department retains jurisdiction pursuant to Code section 10103.

5. Respondent has a Mortgage Loan Originator ("MLO") license endorsement, National Mortgage Licensing System and Registry ("NMLS") No. 1657648.

First Cause of Accusation

Conviction

6. On or about May 20, 2019, before the Superior Court of California, County of Riverside, in Case No. RIF1802406, Respondent pled guilty to and was convicted of violating one count of Penal Code section 550(b)(3) (conceal or knowingly fail to disclose the occurrence of an event that affects any person's initial or continued right or entitlement to any insurance benefit or payment, or the amount of any benefit or payment to which the person is entitled), a felony. The felony conviction could be reduced to a misdemeanor upon successfully completing two years of probation including making current payments for restitution. Respondent was ordered to pay restitution of \$67,409.13 as part of his sentence.

7. The conviction alleged above in Paragraph 6, and the underlying circumstances surrounding said conviction, bear a substantial relationship to the qualifications, functions or duties of a real estate licensee under Regulation 2910.

8. Respondent's 2019 conviction constitutes cause for the suspension or revocation of all licenses and license rights of Respondent pursuant to Code sections 490 and 10177, subdivision (b).

1 9. Respondent's 2019 conviction constitutes cause for the suspension or revocation
2 of all MLO license endorsements and license rights of Respondent pursuant to Code section
3 10166.051, subdivisions (a) and (b), and Code section 10166.05, subdivisions (b)(1) and (c).

4 Second Cause of Accusation

5 Disciplinary Action

6 10. There is hereby incorporated in this Second, separate and distinct Cause of
7 Accusation, all of the allegations contained in Paragraphs 1 through 9, with the same force and
8 effect as if herein fully set forth.

9 11. Code section 10177, subdivision (f), provides that the Real Estate Commissioner
10 may suspend or revoke the license of a real estate licensee if a licensee has acted or conducted
11 himself in a manner that would have warranted the denial of his application for a license, or
12 either had a license denied or had a license issued by another agency of this state revoked,
13 surrendered, or suspended for acts that, if done by a real estate licensee, would be grounds for
14 the suspension or revocation of a California real estate license, if the action of denial,
15 revocation, surrender, or suspension by the other agency was taken only after giving the
16 licensee or applicant fair notice of the charges, an opportunity for a hearing, and other due
17 process protections comparable to the Administrative Procedure Act, and only upon an express
18 finding of a violation of law by the agency or entity.

19 12. On or about July 23, 2002, the California Department of Insurance ("DOI") issued
20 a Life Agent license (0D71900) to Respondent. From on or about March 5, 2003, Respondent
21 held Life-Only and Accident and Health Broker-Agent licenses with Variable Contract authority.
22 From on or about September 18, 2007, Respondent also held a license to act as a Fire and
23 Casualty Broker-Agent which was converted to Property Broker-Agent and Casualty Broker-
24 Agent licenses on or about July 1, 2011.

13. On or about May 23, 2018, the DOI filed an Order of Immediate Suspension and Prohibition from Participation in the Conduct of the Business of Insurance and Notice of Hearing and Notice of Civil Penalties against Respondent in DOI Case No. 2018-00306. The Suspension Order was based on the criminal complaint which led to the conviction described above in Paragraph 6. Respondent was afforded a right to a hearing.

14. On or about May 31, 2019, the DOI issued an Order of Summary Revocation of Respondent's licenses and licensing rights pursuant to California Insurance Code section 1669(a), in conjunction with 1668(m)(1), 1738 and 1734, and 10 CCR 2183.2(a), based on Respondent's felony conviction as described above in Paragraph 6.

15. Respondent's acts, as described above in Paragraph 6, if done by a real estate licensee, would be grounds for the suspension or revocation of a real estate license pursuant to Code section 10177, subdivision (b), and 490.

16. The suspension and subsequent revocation of Respondent's DOI licenses constitutes cause for the suspension or revocation of Respondent's real estate license and license rights pursuant to Code section 10177, subdivision (f).

COST RECOVERY

17. Code Section 10106 provides, in pertinent part, that in any order issued in resolution of a disciplinary proceeding before the Department, 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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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this
2 Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action
3 against all licenses, MLO license endorsements, and license rights of Respondent under the
4 Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), for the cost of
5 investigation and enforcement as permitted by law, and for such other and further relief as may
6 be proper under other provisions of law.

7 Dated at San Diego, California this 7 day of February, 2022.

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9 
10 VERONICA KILPATRICK
11 Supervising Special Investigator

12 cc: Scotty Seth Carlisle
13 Equity Smart Home Loans, Inc.
14 Veronica Kilpatrick
15 Sacto.
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