

FILED

AUG 18 2022

DEPT. OF REAL ESTATE
By

1 Department of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013

4 Telephone: (213) 576-6982
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8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

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|--|---|----------------|
| 11 In the Matter of the Accusation of |) | No. H-42211 LA |
| |) | |
| 12 KRONOVET REALTY CO; |) | STIPULATION |
| 13 ROBERT JAY KRONOVET, individually and |) | AND |
| 14 designated officer of Kronovet Realty Co; |) | AGREEMENT |
| |) | |
| 15 Respondents. |) | |
| |) | |

16 It is hereby stipulated by and between Respondents KRONOVET REALTY CO
17 (“KRC”) and ROBERT JAY KRONOVET (“KRONOVET”), individually and as designated
18 officer of Kronovet Realty Co, both represented by Mary Work, Esq., and the Complainant,
19 acting by and through Diane Lee, Counsel for the Department of Real Estate, as follows for the
20 purpose of settling and disposing of the Accusation (“Accusation”) filed on or about February
21 14, 2022, in this matter:

22 1. All issues which were to be contested and all evidence which were to be
23 presented by Complainant and Respondents KRC and KRONOVET at a formal hearing on the
24 Accusation, which hearing was to be held in accordance with the provisions of the California
25 Administrative Procedure Act (“APA”), shall instead and in place thereof be submitted solely on
26 the basis of the provisions of this Stipulation and Agreement (“Stipulation”).
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1 2. Respondents KRC and KRONOVET have received and read, and understand
2 the Statement to Respondent, the Discovery Provisions of the APA, and the Accusation filed by
3 the Department of Real Estate in this proceeding.

4 3. Respondents KRC and KRONOVET filed Notices of Defense pursuant to
5 California Government Code section 11506 for the purpose of requesting a hearing on the
6 allegations in the Accusation. Respondents KRC and KRONOVET hereby freely and
7 voluntarily withdraw said Notices of Defense. Respondents KRC and KRONOVET
8 acknowledge that they understand that by withdrawing said Notices of Defense they thereby
9 waive their right to require the Commissioner to prove the allegations in the Accusation at a
10 contested hearing held in accordance with the provisions of the APA and that Respondents
11 KRC and KRONOVET will waive other rights afforded to them in connection with the hearing
12 such as the right to present evidence in their defense and the right to cross-examine witnesses.

13 4. This Stipulation is based on the factual allegations contained in the
14 Accusation. In the interest of expediency and economy, Respondents KRC and KRONOVET
15 choose not to contest these factual allegations, but to remain silent and understands that, as a
16 result thereof, these factual statements will serve as a prima facie basis for the disciplinary action
17 stipulated to herein and violations set for below.

18 5. This Stipulation and Respondents' decision not to contest the Accusation are
19 made for the purpose of reaching an agreed disposition of this proceeding, and are expressly
20 limited to this proceeding and any other proceeding or case in which the Department of Real
21 Estate, or another licensing agency of this state or another state, or if a state or federal
22 government is involved, and otherwise shall not be admissible in any other criminal or civil
23 proceedings. Respondent further understands that the sustained violation(s) may be considered in
24 any future administrative or disciplinary matters by the Department of Real Estate.

25 6. It is understood by the parties that the Real Estate Commissioner may adopt
26 this Stipulation as his Decision in this matter thereby imposing the penalties and sanctions on
27 the real estate licenses and license rights of Respondents KRC and KRONOVET as set forth in

1 the below "Order." In the event that the Commissioner in his discretion does not adopt this
2 Stipulation, it shall be void and of no effect, and Respondents KRC and KRONOVET shall
3 retain the right to a hearing and proceeding on the Accusation under the provisions of the APA
4 and shall not be bound by this Stipulation herein.

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

11 8. Respondents KRC and KRONOVET understand that by agreeing to this
12 Stipulation, Respondents KRC and KRONOVET agree to pay, pursuant to California Business
13 and Professions Code section 10106, the cost of the investigation and enforcement. The amount
14 of investigation and enforcement cost is \$3,435.95.

15 9. Respondents KRC and KRONOVET understand that by agreeing to this
16 Stipulation, Respondents KRC and KRONOVET agree to pay, pursuant to California Business
17 and Professions Code section 10148, the cost of the audits which led to this disciplinary
18 action. The amount of said cost for the original audits (SD 190006/SD 190010; SD190007) is
19 \$8,387.00.

20 10. Respondents KRC and KRONOVET understand that by agreeing to this
21 Stipulation and Agreement, the findings set forth below in the Determination of Issues become
22 final, and the Commissioner may charge Respondents KRC and KRONOVET, with joint and
23 several liability, for the cost of any subsequent audit(s) conducted pursuant to California
24 Business and Professions Code section 10148. The maximum cost of the subsequent audit will
25 not exceed \$10,483.75.

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[illegible]

The conduct, acts, or omissions of Respondents KRONOVET REALTY CO and ROBERT JAY KRONOVET, as described in the Accusation and Paragraph 4, above, are a basis for discipline of Respondent KRC's and KRONOVET's licenses and license rights pursuant to California Business and Professions Code sections 10145, 10159.2, 10176(e), 10177(d), 10177(g), and 10177(h) and Title 10, Chapter 6 of the California Code of Regulations, sections 2725, 2831, 2832, 2834, and 2835.

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1 matter.

2 4. If Respondent KRC fails to pay the monetary penalty in accordance with the
3 terms of the Decision, the Commissioner may, without a hearing, order the immediate execution
4 of all or any part of the stayed suspension, in which event Respondent KRC shall not be entitled
5 to any repayment nor credit, prorated or otherwise, for money paid to the Department of Real
6 Estate under the terms of this Decision.

7 5. If Respondent KRC pays the monetary penalty and if no further cause for
8 disciplinary action against the real estate license of Respondent KRC occurs within three (3)
9 years from the effective date of the Decision, the stay hereby granted shall become permanent.

10 B. The remaining fifteen (15) days of the thirty (30) day suspension shall be
11 stayed for three (3) years upon the following terms and conditions:

12 i. Respondent KRC shall obey all laws, rules, and regulations governing the
13 rights, duties, and responsibilities of a real estate licensee in the State of California; and

14 ii. That no final subsequent determination be made after hearing or upon
15 stipulation, that cause for disciplinary action occurred within three (3) years from the effective
16 date of this Decision. Should such a determination be made, the Commissioner may, in his
17 discretion, vacate, and set aside the stay order and re-impose all or a portion of the stayed
18 suspension. Should no such determination be made, the stay imposed herein shall become
19 permanent.

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21 (ROBERT JAY KRONOVET: SUSPENSION)

22 II.

23 All licenses and licensing rights of Respondent KRONOVET under the Real
24 Estate Law are suspended for a period of thirty (30) days from the effective date of this Decision:

25 A. Provided, however, that the initial fifteen (15) days of said suspension shall be
26 stayed upon condition that:

27 1. Respondent KRONOVET pays a monetary penalty pursuant to California

1 Business and Professions Code section 10175.2 at the rate of \$100.00 per day for a monetary
2 penalty of \$1,500.00 total.

3 2. Said payment shall be in the form of a cashier's check or certified check made
4 payable to the Recovery Account of the Real Estate Fund. Said check must be received by the
5 Department of Real Estate prior to the effective date of the Decision in this matter.

6 3. No further cause for disciplinary action against the real estate license of
7 Respondent KRONOVET occurs within three (3) years from the effective date of the Decision in
8 this matter.

9 4. If Respondent KRONOVET fails to pay the monetary penalty in accordance
10 with the terms of the Decision, the Commissioner may, without a hearing, order the immediate
11 execution of all or any part of the stayed suspension, in which event Respondent KRONOVET
12 shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the
13 Department of Real Estate under the terms of this Decision.

14 5. If Respondent KRONOVET pays the monetary penalty and if no further cause
15 for disciplinary action against the real estate license of Respondent KRONOVET occurs within
16 three (3) years from the effective date of the Decision, the stay hereby granted shall become
17 permanent.

18 B. The remaining fifteen (15) days of the thirty (30) day suspension shall be
19 stayed for three (3) years upon the following terms and conditions:

20 i. Respondent KRONOVET shall obey all laws, rules, and regulations governing
21 the rights, duties, and responsibilities of a real estate licensee in the State of California; and

22 ii. That no final subsequent determination be made after hearing or upon
23 stipulation, that cause for disciplinary action occurred within three (3) years from the effective
24 date of this Decision. Should such a determination be made, the Commissioner may, in his
25 discretion, vacate, and set aside the stay order and re-impose all or a portion of the stayed
26 suspension. Should no such determination be made, the stay imposed herein shall become
27 permanent.

1 (KRC AND KRONOVET: INVESTIGATION AND ENFORCEMENT COSTS)

2 III.

3 Respondents KRC and KRONOVET shall, within thirty (30) days from the
4 effective date of this Decision and Order, pay the sum of \$3,435.95 with joint and several
5 liability for the Commissioner's reasonable cost for investigation and enforcement which led to
6 this disciplinary action. Said payment shall be in the form of a cashier's check made payable to
7 the Department of Real Estate. The investigative and enforcement costs must be delivered to the
8 Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013,
9 within thirty (30) days from the effective date of this Decision and Order. If the costs of
10 investigation and enforcement are not paid within thirty (30) days from the effective date of this
11 Decision and Order, the licenses and license rights of Respondents KRC and KRONOVET shall
12 automatically be suspended until full payment is made.

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14 (KRC and KRONOVET: AUDIT COSTS)

15 IV.

16 1. Pursuant to California Business and Professions Code section 10148,
17 Respondents KRC and KRONOVET owed \$8,387.00 with joint and several liability for the
18 Commissioner's cost of the audit which led to this disciplinary action. Payment of the audit cost
19 balance should not be made until Respondents KRC and/or KRONOVET receive the invoice. If
20 Respondents fail to satisfy this condition in a timely manner as provided for herein, the real
21 estate licenses of Respondents shall automatically be suspended until payment is made in full, or
22 until a decision providing otherwise is adopted following a hearing.

23 2. Pursuant to California Business and Professions Code section 10148,
24 Respondents KRC and KRONOVET shall pay the Commissioner's reasonable cost, not to
25 exceed \$10,483.75, with joint and several liability, for audit(s) to determine if Respondents KRC
26 and/or KRONOVET have corrected the violations found in the Determination of Issues. In
27 calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the

1 estimated average hourly salary for all persons performing audits of real estate broker(s), and
2 shall include an allocation for travel time to and from the auditor's place of work. Respondents
3 KRC and KRONOVET shall pay such cost within thirty (30) days of receiving an invoice
4 therefor from the Commissioner. Payment of the audit costs should not be made until
5 Respondents KRC and/or KRONOVET receives the invoice. If Respondents KRC and
6 KRONOVET fail to satisfy this condition in a timely manner as provided for herein, the real
7 estate license of Respondents KRC and KRONOVET shall automatically be suspended until
8 payment is made in full, or until a decision providing otherwise is adopted following a hearing
9 held pursuant to this condition.

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11 (KRONOVET: TRUST FUND COURSE)

12 V.

13 Respondent KRONOVET shall, within one hundred twenty (120) days from the
14 effective date of this Decision and Order, provide proof satisfactory to the Commissioner, of
15 having taken and successfully completed the continuing education course on trust fund
16 accounting and handling specified in California Business and Professions Code section
17 10170.5(a)(3). Proof of satisfaction of this requirements includes evidence that Respondent
18 KRONOVET has successfully completed the trust fund account and handling continuing
19 education courses, no earlier than one hundred twenty (120) days prior to the effective date of
20 the Decision and Order in this matter. Proof of completion of the trust fund accounting and
21 handling course must be delivered to the Department of Real Estate, Flag Section at P.O. Box
22 137013, Sacramento, CA 95813-7013 or by fax at (916) 263-8758, within three (3) months from
23 the effective date of this Decision and Order.

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1 (KRONOVET: PROFESSIONAL RESPONSIBILITY EXAMINATION)

2 VI.

3 Respondent KRONOVET shall, within one hundred twenty (120) days from the
4 effective date of the Decision, take and pass the Professional Responsibility Examination
5 administered by the Department of Real Estate including the payment of the appropriate
6 examination fee. Proof of completion of taking and passing the Professional Responsibility
7 Examination must be delivered to the Department of Real Estate, Flag Section at P.O. Box
8 137013, Sacramento, CA 95813-7013. If Respondent KRONOVET fails to satisfy this
9 condition, the suspension shall go into effect automatically and remain in effect until Respondent
10 KRONOVET takes and passes the Professional Responsibility Examination, and delivers such
11 proof to the Department of Real Estate.

12
13 (RESTITUTION)

14 VII.

15 Respondents KRC and KRONOVET shall, within thirty (30) days from the
16 effective date of this Decision, pay \$4,200.00 in restitution to Harlan Cohen Living Trust, with
17 joint and several liability, and send proof satisfactory to the Commissioner that restitution has
18 been made. Such proof of restitution shall be sent to the Department of Real Estate at:
19 Department of Real Estate, Flag Section, P.O. Box 137013, Sacramento, CA 95813-7013. If
20 Respondents fail to satisfy this condition, the Commissioner shall order suspension of
21 Respondents' licenses until Respondents pay restitution and provide proof thereof. This
22 restitution is made in connection with the complaint made by a representative for Harlan Cohen
23 Living Trust.¹

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27 ¹ Harlan Cohen passed away.

1 DATED: 07/21/2022

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3 DIANE LEE,
4 Counsel for Department of Real Estate

5 * * *

6 EXECUTION OF THE STIPULATION

7 I, ROBERT JAY KRONOVET, individually and as designated officer
8 of Kronovet Realty Co, have read the Stipulation and discussed it with our attorney, Mary Work,
9 Esq. Its terms are understood by me and Kronovet Realty Co, and are agreeable and acceptable
10 to me and Kronovet Realty Co. I understand that I am waiving rights given to me and Kronovet
11 Realty Co by the California APA (including, but not limited to, California Government
12 Code sections 11506, 11508, 11509, and 11513), and I, individually and as designated officer
13 of Kronovet Realty Co, willingly, intelligently, and voluntarily waive those rights, including, but
14 not limited to, the right of requiring the Commissioner to prove the allegations in the Accusation
15 at a hearing at which Kronovet Realty Co and I would have the right to cross-examine witnesses
16 against me and Kronovet Realty Co and to present evidence in defense and mitigation of the
17 charges.

18 MAILING AND E-MAIL

19 Respondents KRC and KRONOVET shall mail the original signed signature page
20 of this Stipulation herein to Department of Real Estate, Attention: Legal Section – Diane
21 Lee, 320 West Fourth Street, Suite 350, Los Angeles, California 90013-1105.

22 In the event of time constraints before an administrative hearing, Respondents
23 KRC and KRONOVET can signify acceptance and approval of the terms and conditions of this
24 Stipulation and Agreement by emailing a scanned copy of the signature page, as actually signed
25 by Respondents KRC and KRONOVET, to the Department counsel assigned to this case.
26 Respondents KRC and KRONOVET agree, acknowledge, and understand that by electronically
27 sending the Department a scan of Respondents KRC's and KRONOVET's actual signatures

1 as they appear on the Stipulation and Agreement that receipt of the scan by the Department shall
2 be binding on Respondents KRC and KRONOVET as if the Department had received the
3 original signed Stipulation.

4 Respondents KRC's and KRONOVET's signatures below constitute acceptance
5 and approval of the terms and conditions of this Stipulation. Respondents KRC and
6 KRONOVET agree, acknowledge, and understand that by signing this Stipulation, Respondents
7 KRC and KRONOVET are bound by its terms as of the date of such signatures and that this
8 agreement is not subject to rescission or amendment at a later date except by a separate Decision
9 and Order of the Real Estate Commissioner.

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1 DATED:

7/21/2022


KRONOVET REALTY CO, by Robert Jay Kronovet,
designated officer of Kronovet Realty Co

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4 DATED:

7/21/2022


ROBERT JAY KRONOVET, individually and as
designated officer of Kronovet Realty Co

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7 DATED:

7/24/2022


MARY WORK ESQ.
Attorney for Respondents KRONOVET REALTY CO and
ROBERT JAY KRONOVET

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11 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
12 Respondents KRONOVET REALTY CO and ROBERT JAY KRONOVET, and shall become
13 effective at 12 o'clock noon on _____.

14 IT IS SO ORDERED _____.

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16 DOUGLAS R. McCAULEY
17 REAL ESTATE COMMISSIONER
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1 DATED: _____

KRONOVET REALTY CO, by Robert Jay Kronovet,
designated officer of Kronovet Realty Co

4 DATED: _____

ROBERT JAY KRONOVET, individually and as
designated officer of Kronovet Realty Co

7 DATED: _____

MARY WORK, ESQ.
Attorney for Respondents KRONOVET REALTY CO and
ROBERT JAY KRONOVET

10 * * *

11 The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
12 Respondents KRONOVET REALTY CO and ROBERT JAY KRONOVET, and shall become
13 effective at 12 o'clock noon on September 06, 2022.

14 IT IS SO ORDERED 8.12.22.

16 DOUGLAS R. McCAULEY
17 REAL ESTATE COMMISSIONER

19 Douglas R. McCauley