

1 DEPARTMENT OF REAL ESTATE
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013-1105
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FILED

JUL 18 2023

DEPT. OF REAL ESTATE

By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11 In the Matter of the Accusation against

12 AMPCORE, INCORPORATED;

13 ADAM MICHAEL PIROZZI, individually and
14 as Designated Officer of AMPCore, Incorporated;

15 SANTA BARBARA PROPERTY
16 MANAGEMENT, INC.; and

17 STEPHEN JAMES DOWNAROWICZ,
18 individually and as Designated Officer for Santa
19 Barbara Property Management, Inc.,

20 Respondents.

DRE No. H-42417 LA
OAH No. 2023010250

STIPULATION AND
AGREEMENT IN SETTLEMENT
AND ORDER AS TO
RESPONDENTS
SANTA BARBARA PROPERTY
MANAGEMENT, INC. AND
STEPHEN JAMES
DOWNAROWICZ ONLY

20 It is hereby stipulated by and between Respondents SANTA BARBARA PROPERTY
21 MANAGEMENT, INC. ("SBPMI") and STEPHEN JAMES DOWNAROWICZ
22 ("DOWNAROWICZ"), individually, and as designated officer for Santa Barbara Property
23 Management, Inc. (collectively "Respondents"), both represented by John J. Thyne, III, Esq. and
24 the Complainant, acting by and through Lissete Garcia, Counsel for the Department of Real

1 Estate (“Department”), as follows for the purpose of settling and disposing the Accusation filed
2 on November 9, 2022, with Department Case No. H-42417 LA (“Accusation”) in this matter:

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

8 2. Respondents have received, read, and understand the Statement to Respondent, the
9 Discovery Provisions of the APA, and Accusation filed by the Department in this proceeding.

10 3. Respondents filed a Notice of Defense pursuant to Section 11506 of the Government
11 Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondents
12 hereby freely and voluntarily withdraw said Notice of Defense. Respondents acknowledge and
13 understand that by withdrawing said Notice of Defense, Respondents will thereby waive
14 Respondents’ rights to require the Real Estate Commissioner (“Commissioner”) to prove the
15 allegations in the Accusation at a contested hearing held in accordance with the provisions of the
16 APA and that Respondents will waive other rights afforded to Respondents in connection with
17 the hearing such as the right to present evidence in defense of the allegations in the Accusation
18 and the right to cross-examine witnesses.

19 4. This Stipulation is based on the factual allegations contained in the Accusation filed in
20 this proceeding. In the interest of expedience and economy, Respondents choose not to contest
21 these factual allegations, but to remain silent and understand that, as a result thereof, these
22 factual statements, will serve as a prima facie basis for the disciplinary action stipulated to
23 herein. The Real Estate Commissioner shall not be required to provide further evidence to prove
24 such allegations.

1 5. This Stipulation and Respondents' decision not to contest the Accusation are made for
2 the purpose of reaching an agreed disposition of this proceeding and are expressly limited to this
3 proceeding and any other proceeding or case in which the Department, or another licensing
4 agency of this state, another state or if the federal government is involved and otherwise shall not
5 be admissible in any other criminal or civil proceedings.

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

13 7. The Order or any subsequent Order of the Real Estate Commissioner made pursuant to
14 this Stipulation and Agreement shall not constitute an estoppel, merger or bar to any further
15 administrative or civil proceedings by the Department of Real Estate with respect to any matters
16 which were not specifically alleged to be causes for accusation in this proceeding.

17 8. Respondents further understand that by agreeing to this Stipulation, Respondents
18 agree to pay, pursuant to California Business and Professions Code ("Code"), section 10106, a
19 portion of the total investigative and enforcement costs which led to this disciplinary action.

20 9. Respondents understand that by agreeing to this Stipulation, Respondents agree to
21 pay, pursuant to section 10148 of the Code, the cost of the audit for Santa Barbara Property
22 Management, Inc., only, which resulted in the determination that Respondents committed the
23 violations found in the "Determination of Issues" below.

24 10. Respondents understand that by agreeing to this Stipulation, the findings set forth

1 below in the Determination of Issues become final, and the Commissioner may charge
2 Respondents for the cost (said cost shall not exceed \$5,000.00) of any subsequent audit
3 conducted pursuant to Code section 10148 to determine if the violations have been corrected.

4 DETERMINATION OF ISSUES

5 By reason of the foregoing stipulation and agreement and solely for the purpose of
6 settlement of the pending Accusation without a hearing, it is stipulated and agreed that the
7 following determination of issues shall be made:

8 I.

9 The conduct, acts and/or omissions of Respondent SBPMI, as set forth herein above in
10 Paragraph 4, constitute cause for the suspension or revocation of all real estate licenses and
11 license rights of Respondent SBPMI under the provisions of Code section 10177, subdivisions
12 (d) and (g), for violation of Code sections 10145 and 10148 and Regulations of the Real Estate
13 Commissioner, Title 10, Chapter 6, California Code of Regulations (“Regulations”) 2831,
14 2831.1, 2831.2, 2832, and 2834.

15 II.

16 The conduct, acts and/or omissions of Respondent DOWNAROWICZ as set forth herein
17 above in Paragraph 4, constitute cause for the suspension or revocation of all real estate licenses
18 and license rights of Respondent DOWNAROWICZ under the provisions of Code section
19 10177, subdivision (h), for violation of Code sections 10159.2, 10177, subdivision (h), and
20 Regulation 2725.

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ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

All licenses and licensing rights of Respondent SBPMI under the Real Estate Law are revoked; provided, however, a restricted corporate real estate broker license shall be issued to Respondent SBPMI pursuant to Section 10156.5 of the Code if Respondent SBPMI makes application therefor and pays to the Department the appropriate fee for the restricted license within 90 days from the effective date of this Decision and Order. The restricted license issued to Respondent SBPMI 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 that Code:

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

2. The restricted license issued to Respondent may be suspended prior to hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that 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 license.

3. Respondent shall not be eligible to petition for the issuance of any unrestricted real estate license nor for removal of any of the conditions, limitations or restrictions of a restricted license until two (2) years have elapsed from the effective date of this Decision and Order. Respondent shall not be eligible to apply for any unrestricted licenses until all restrictions attaching to the license have been removed.

1 II.

2 All licenses and licensing rights of Respondent DOWNAROWICZ under the Real Estate
3 Law are revoked; provided, however, a restricted real estate broker license shall be issued to
4 Respondent DOWNAROWICZ pursuant to Section 10156.5 of the Code if Respondent
5 DOWNAROWICZ makes application therefor and pays to the Department the appropriate fee
6 for the restricted license within 90 days from the effective date of this Decision and Order. The
7 restricted license issued to Respondent DOWNAROWICZ shall be subject to all of the
8 provisions of Section 10156.7 of the Code and to the following limitations, conditions and
9 restrictions imposed under authority of Section 10156.6 of that Code:

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

13 2. The restricted license issued to Respondent may be suspended prior to hearing by
14 Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner that
15 Respondent has violated provisions of the California Real Estate Law, the Subdivided Lands
16 Law, Regulations of the Real Estate Commissioner or conditions attaching to the restricted
17 license.

18 3. Respondent shall not be eligible to petition for the issuance of any unrestricted real
19 estate license nor for removal of any of the conditions, limitations or restrictions of a restricted
20 license until two (2) years have elapsed from the effective date of this Decision and Order.
21 Respondent shall not be eligible to apply for any unrestricted licenses until all restrictions
22 attaching to the license have been removed.

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1 investigation and enforcement costs should not be made until the Stipulation has been
2 approved by the Commissioner. If Respondents fail to satisfy this condition in a timely
3 manner as provided for herein, Respondents' real estate licenses shall automatically be
4 suspended until payment is made in full, or until a decision providing otherwise is adopted
5 following a hearing held pursuant to this condition.


6 IV.

7 Pursuant to Section 10148 of the Code, Respondents SBPMI and DOWNAROWICZ
8 shall pay, jointly or severally, the total sum of \$8,527.25 for the Commissioner's cost of the audit
9 LA210020 which led to this disciplinary action against Respondents. **Respondents shall pay**
10 **such cost within one hundred eighty (180) days from the effective date of this Decision and**
11 **Order. Payment of audit costs should not be made until the Stipulation has been approved**
12 **by the Commissioner.** If Respondents fail to satisfy this condition in a timely manner as
13 provided for herein, Respondents' real estate licenses shall automatically be suspended until
14 payment is made in full, or until a decision providing otherwise is adopted following a hearing
15 held pursuant to this condition.

16 6. Pursuant to Section 10148 of the Code, Respondents SBPMI and DOWNAROWICZ
17 shall pay, jointly or severally, the Commissioner's reasonable cost (said costs may not exceed a
18 maximum of \$5,000.00) for any subsequent audit to determine if Respondent SBPMI has
19 corrected the violations found in the Determination of Issues. In calculating the amount of the
20 Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary
21 for all persons performing audits of real estate brokers, and shall include an allocation for travel
22 time to and from the auditor's place of work. **Respondents shall pay such cost within sixty**
23 **(60) days of receiving an invoice therefore from the Commissioner. Payment of the audit**
24 **costs should not be made until Respondent SBPMI receives the invoice.** If Respondents fails

1 to satisfy this condition in a timely manner as provided for herein, Respondents' real estate
2 license shall automatically be suspended until payment is made in full, or until a decision
3 providing otherwise is adopted following a hearing held pursuant to this condition.

4 DATED: 05/16/2023


Lisette García, Counsel
Department of Real Estate

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

14 Respondents can signify acceptance and approval of the terms and conditions of this
15 Stipulation and Agreement by electronically e-mailing a copy of the signature page, as actually
16 signed by Respondents, to the Department. Respondents agree, acknowledge, and understand
17 that by electronically sending to the Department an electronic copy of Respondents' actual
18 signature, as it appears on the Stipulation that receipt of the emailed copy by the Department
19 shall be as binding on Respondents as if the Department had received the original signed
20 Stipulation. By signing this Stipulation, Respondents understand and agree that Respondents
21 may not withdraw Respondents' agreement or seek to rescind the Stipulation prior to the time the
22 Commissioner considers and acts upon it or prior to the effective date of the Stipulation and
23 Order.

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1 DATED: 5/11/2023

[Redacted]

Respondent SANTA BARBARA PROPERTY
MANAGEMENT, INC.

3 By (Printed Name) [Redacted]

5 Title: C.E.O.

6 DATED: 5/11/2023

[Redacted]

Respondent STEPHEN JAMES DOWNAROWICZ

8 DATED: 5/11/2023

[Redacted]

John J. Vlyne, III Esq.
Counsel for Respondents Santa Barbara Property
Management, Inc. and Stephen James Downarowicz
Approved as to Form

The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by
me as my Decision in this matter and shall become effective at 12 o'clock noon on

August 17, 2023.

IT IS SO ORDERED 7.12.23, 2023.

REAL ESTATE COMMISSIONER

[Redacted Signature]

DOUGLAS R. McCAULEY