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FEB - 2 2024

DEPT. OF REAL ESTATE

By 

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of:)	DRE No. H-42513 LA
)	
BLANCA LIDIA GUZMAN,)	OAH No. 2023070206
)	
Respondent.)	

DECISION

The Proposed Decision dated December 18, 2023, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

The Decision suspends or revokes one or more real estate licenses, but the right to a restricted salesperson license is granted to Respondent.

Pursuant to Government Code Section 11521, the Department of Real Estate (the Department) may order reconsideration of this Decision on petition of any party. The party seeking reconsideration shall set forth new facts, circumstances, and evidence, or errors in law or analysis, that show(s) grounds and good cause for the Commissioner to reconsider the Decision. If new evidence is presented, the party shall specifically identify the new evidence and explain why it was not previously presented. The Department's power to order reconsideration of this Decision shall expire 30 days after mailing of this Decision, or on the effective date of this Decision, whichever occurs first.

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The right to reinstatement of a revoked real estate license or to the reduction of a penalty is controlled by Section 11522 of the Government Code. A copy of Sections 11521 and 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

This Decision shall become effective at 12 o'clock noon on FEB 22 2024.

IT IS SO ORDERED 1/30/24

Chika Sunquist
REAL ESTATE COMMISSIONER



By Marcus L. McCarther
Chief Deputy Real Estate Commissioner

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

In the Matter of the Accusation against:

BLANCA LIDIA GUZMAN, Respondent.

Agency Case No. H-42513 LA

OAH No. 2023070206

PROPOSED DECISION

Julie Cabos-Owen, Administrative Law Judge (ALJ), Office of Administrative Hearings (OAH), State of California, heard this matter by videoconference on December 7, 2023. Jason Parson (Complainant) was represented by Andrea Bentler, Counsel for the Department of Real Estate (Department). Blanca Lidia Guzman (Respondent) represented herself.

Testimony and documents were received in evidence. The record closed and the matter was submitted for decision on December 7, 2023.

FACTUAL FINDINGS

Jurisdictional Matters

1. On February 22, 2023, Complainant filed the Accusation while acting in his official capacity as a Supervising Special Investigator of the State of California.

2. Respondent filed a Notice of Defense requesting a hearing.

Respondent's License History

3. Respondent holds a real estate salesperson license, originally issued on March 16, 2020. The license is scheduled to expire on March 15, 2024.

Respondent's Insurance License Discipline

4. Respondent was previously licensed to act as an accident and health agent, casualty broker-agent, life-only agent, and property broker-agent in the State of California. Her insurance license was issued by the Insurance Commissioner of California (Commissioner) on April 23, 2004.

5. On September 2, 2020, the Department of Insurance filed an accusation against Respondent. On November 24, 2020, Respondent appeared at an administrative hearing to defend against the allegations in the accusation. In a Decision and Order, effective March 3, 2021 (Revocation Order), the Commissioner revoked Respondent's insurance license.

6. The Revocation Order arose from Respondent's dishonest actions in 2019, which are detailed in the Revocation Order as follows:

[R]espondent began working as a Farmers [Insurance] agent in 2007. The agent appointment agreement signed by respondent in October 2007 provides that the agreement may be terminated immediately by Farmers for reasons including willful misrepresentation that is material to the operation of the agency.

[F]armers uses a computer system called the ACA system to track information about receipt of premium payments.

[R]espondent came to the attention of the Farmers internal audit department when she was identified . . . as having processed a large number of voided receipts (ranking tenth in the nation on this metric). An initial review found that several of those receipts were used to keep policies in place without any subsequent payments being made, and an investigation was initiated.

[R]espondent submitted false receipts to Farmers showing full premium payments were made, even though the full amounts were not actually collected. By doing this, Respondent was able to reinstate policies for clients whose policies had been cancelled for non-payment, or initiate policies without receipt of payment due. She later voided the false receipts in the ACA system. Respondent voided 21 receipts after they were used to reinstate policies that had been cancelled for non-payment - 15 of those 21 policies were reinstated without any payment being made, and 6 were reinstated with a payment that was less than was required for reinstatement.

Respondent entered an additional five receipts for new business, without any payment collected at the time the policy was written - two of those five policies were later

cancelled for non-payment. [S]ome policies were kept in force for significant periods of time without premiums being paid and then the policies were cancelled, potentially putting clients into the collections process. Several clients had their policies reinstated with voided receipts multiple times.

[Respondent] admitted reinstating policies using inaccurate receipts that she later voided in the ACA system. Respondent explained that she would reinstate policies for clients who came in with less than the amount owed by issuing a cash receipt and submitting it in the system, getting the policy reinstated, and later voiding the receipt. Respondent stated she thought she was helping clients by helping them avoid a lapse in coverage, and helping Farmers by taking partial payment and having the client billed for the balance. She thought this should be sufficient to continue a policy in place. Respondent was visited by staff from Farmers compliance on May 20, 2019, and was informed this practice was impermissible. She no longer engaged in the practice after that time.

[T]he financial loss to Farmers was \$12,455.88 in earned premiums due on policies that were reinstated without payment following a cancellation for non-payment.

[R]espondent benefited from her practice of submitting and then voiding false receipts. She retained

clients who otherwise could have had their policies canceled for non-payment or sought insurance coverage elsewhere. She earned commissions for the new policies that she wrote without collecting payment.

[R]espondent's clients were at risk of loss because of her actions to keep their policies artificially in force despite lack of full payment.

[F]armers terminated respondent's agent appointment agreement on February 7, 2020, and notified the Department of Insurance of respondent's termination and misconduct on February 12, 2020.

[¶] . . . [¶]

[At the hearing, Respondent] characterized her actions as being taken out of compassion for her clients, many of whom were longstanding clients that fell behind on payments. She wanted to keep the clients' policies in force and buy the clients extra time to pay their premiums, and her clients understood that if they did not pay the entire premium amount due, they would be billed for it. Respondent also emphasized that she took these actions for a "handful" of her many clients, and that no clients filed complaints.

Respondent did not specifically address the new policies that she initiated without receiving payment.

Respondent does not believe her actions were a violation of her agent agreement with Farmers. She denied any fraudulent intent, and did not believe that what she was doing was wrong. She stated that she was just "stretching due dates" a little bit. Respondent conceded: "Maybe we should have been a little more truthful."

(Exhibit 4, pp. A61-A65.)

7. The Revocation Order concluded:

Respondent made misrepresentations to Farmers and submitted false receipts in order to reinstate or issue policies, without having received full payment, and later voided the receipts in the system. This conduct caused a significant loss to Farmers, exposed Respondent's clients to a risk of loss, and benefited Respondent.

(Exhibit 4, p. A67.)

8. The Revocation Order found several grounds to revoke Respondent's insurance license including that: it "would be against the public interest to permit [Respondent] to continue transacting insurance in the State of California" (Ins. Code, §§ 1668, subd. (b), 1738); Respondent "demonstrated a lack of integrity" (Ins. Code §§ 1668, subd. (e), 1738); Respondent "conducted business in a fraudulent manner" (Ins. Code §§ 1668, subd. (i), 1738); and Respondent "demonstrated incompetence or untrustworthiness in the conduct of any business or has by the commission of a wrongful act or practice in the course of any business exposed the public or those dealing with them to the danger of loss" (Ins. Code § 1668, subd. (j), 1738).

9. The Revocation Order also noted the prior discipline of Respondent's insurance license in 2014, when the Commissioner revoked Respondent's insurance license and issued a restricted license. The license restrictions arose from Respondent's December 15, 2011 misdemeanor convictions (for aggravated assault and child endangerment by a caretaker) and her failure to timely report her convictions to the Department of Insurance. The Revocation Order noted the facts underlying the 2011 criminal convictions as follows: "The offenses occurred on November 27, 2010, when Respondent hit her then-husband with a car and drove with him on the car's hood and left her children ages nine and four alone in a hotel room." (Exhibit 4, p. A60.) The restrictions on Respondent's insurance license were removed on February 18, 2020.

10. The Revocation Order noted the reasoning for revoking Respondent's insurance license, rather than placing her on probation, as follows:

[R]espondent has worked successfully in the insurance industry for many years. Her license was previously restricted, and she succeeded in having the restrictions removed after compliance with their terms. However, respondent has failed to accept responsibility for her misconduct. Her testimony consistently minimized her misconduct. Respondent did not evidence any understanding of why it was wrong for her to issue false receipts without receiving full payment, and to use the receipt voiding process as a means of circumventing the company's payment requirements. Given these circumstances, it is determined that revocation of

respondent's license and licensing rights is necessary to protect the public[.]

(Exhibit 4. p. A70.)

Respondent's Criminal Conviction

11. On August 16, 2021, a felony complaint was filed in the Los Angeles Superior Court, Case Number MA081763, alleging eight felony counts against Respondent, including Count 1, grand theft, in violation of Penal Code section 487, subdivision (a).

12. On January 19, 2022, in Case No. MA081763, Respondent was convicted on her plea of nolo contendere of Count 1, violating Penal Code section 487, subdivision (a) (grand theft), a felony. The Court ordered Respondent to pay restitution in the amount of \$12,455.88 to Farmers Insurance and \$3,672.14 to Agent Fidelity Bond. Respondent's plea was a conditional plea that allowed her to complete 10 days of community labor and pay restitution in full by the sentencing hearing (scheduled for January 19, 2023), at which time she would be sentenced to Count 1 as a misdemeanor.

13. Respondent immediately completed the community labor and paid restitution in full. On February 23, 2022, the Court ordered that the criminal complaint be amended to allege Count 1 as a misdemeanor pursuant to Penal Code section 17, subdivision (b), and that Count 1 proceed as a misdemeanor. The Court suspended imposition of sentence and placed Respondent on summary probation for 12 months on conditions including a prohibition against her possessing any documents containing personal information/identifying information of others, except her minor

children. Respondent completed her probation, and on October 26, 2023, the Court dismissed Count 1 pursuant to Penal Code section 1203.4.

14. The circumstances giving rise to Respondent's 2022 criminal conviction are identical to the facts giving rise to the Revocation Order as set forth in Factual Finding 6.

Failure to Disclose Felony Complaint and Criminal Conviction

15. Respondent was required to report to the Department, within 30 days, the filing of a felony criminal complaint against her or her incurring any criminal conviction. Respondent failed to do so.

Failure to Disclose Insurance License Discipline

16. Respondent was required to report to the Department, within 30 days, the disciplinary action taken by the Insurance Commissioner revoking her insurance license. Respondent failed to do so.

Respondent's Testimony Regarding Mitigation and Rehabilitation

17. Respondent testified at the administrative hearing. Her demeanor was professional and contrite.

18. She admitted her wrongful conduct and assured the Department she has learned from her mistakes.

19. Respondent insisted her actions were motivated by a desire to help her clients maintain insurance coverage. Respondent recalled that, between January 2019 and May 2019, she owned and operated a Farmers insurance agency. She explained that she and other Farmers insurance agents "learned of a system" to help clients

continue or reinstate their insurance coverage with only partial premium payment. Respondent recalled clients came to her office and could make only partial premium payments. Respondent would "submit a case receipt" for the total premium, but "immediately void it out" as a form of overriding the Farmers system to complete the premium payment. Consequently, any balance the client owed would carry over to the next scheduled premium payment.

20. Respondent admitted that, although she did not use the partial-premium procedure with any malicious intent, she deserved to sustain her grand theft conviction. Respondent now understands that her actions constituted "premium theft" because the client obtained the benefit of the reinstated insurance but could have avoided ever paying the premium.

21. Respondent noted that, once she pled no contest to her crime, she immediately took rehabilitative actions to comply with the Court-ordered community service and restitution payment.

22. Respondent participated in the November 2020 administrative hearing leading to the Revocation Order over a year prior to her criminal plea. Respondent noted that, when she participated in the November 2020 hearing, she was not prepared and had no rehabilitative evidence. Respondent believes the revocation of her insurance license was unwarranted because she was motivated by compassion for her clients, and she did not intend to harm her clients or Farmers. She also noted that, in May 2019, when she was informed by Farmers the partial-premium procedure was impermissible, she immediately discontinued the practice. Respondent further noted that Farmers allowed her to transact insurance for them for almost a year after discovering her partial-premium practice, until February 2020. Respondent "understand[s] the revocation now," but disagrees that she "lacked integrity" because

she "always held [her]self to a high standard," and was "trying to help clients through their hard times."

23. Respondent seeks to "redeem" herself and "make everyone whole." Respondent assured the Department she has "been working really hard on rehabilitating [her]self" since the incidents leading to the Revocation Order and her criminal conviction. Respondent volunteers at a homeless center once per week. She is deeply involved in her community, and she is active in her children's activities, including Boy Scouts of America. She has taken several continuing education courses in real estate, including an ethics course. Respondent provides financially for her two children living with her.

24. Respondent noted that she has been a professional for 20 years, first in the insurance industry and now in the real estate field. She maintained that her 2019 violations were an anomaly and that she strives to transact business "in that manner and in the public's best interests." She assured the Department she is "a trustworthy person," "very ethical," and holds herself to "high moral standards." She does not believe she is a threat to the public, and she would like a "second chance," to continue with her real estate licensure, even if it is on a restricted basis.

25. Respondent admitted she failed to report her criminal conviction to the Department. She recalled that, when she was dealing with the criminal conviction in January 2022, she spoke to attorneys, her broker, and her local realtor boards to determine "the best way to handle it." She explained that local realtor boards allow their members to "access" to transact sales, and the local boards "initially terminated [Respondent's] access" because of her criminal conviction. When Respondent approached her local realtor boards, she was advised to "focus on the criminal proceedings," comply with the court requirements "as soon as possible," and provide

them evidence of restitution payment and completion of court requirements. After completing her criminal court requirements, she provided proof of completion to her local realtor boards, and they reactivated her membership. Respondent's distraction during the criminal process does not excuse her failure to comply with the statutory reporting requirement.

26. Respondent did not explain why she failed to report the discipline of her insurance license to the Department within 30 days.

27. Respondent was "very remorseful" that she failed to notify the Department of her insurance license revocation and criminal conviction.

28. Since November 2020, Respondent has worked for BGA Properties, Inc., under the supervision of her employing broker, Carlos Orellana.

29. Respondent has the support of Mr. Orellana, who wrote a letter on her behalf. He praised her professionalism, dedication, and work ethic. Mr. Orellana vouched for her integrity and opined:

I am aware of a recent misdemeanor conviction that [Respondent] has faced, but it is important to emphasize that our trust in her professionalism and integrity remains unwavering. We firmly believe that this incident is not representative of her character, and we have full confidence in her ability to continue serving our clients with the same dedication and honesty she has displayed throughout her career.

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I wholeheartedly recommend [Respondent] and believe that she will continue to be a valuable asset to our team and a trusted partner for anyone seeking real estate services.

(Exhibit K, p. B51.)

30. Respondent has the support of numerous friends, insurance and real estate clients, colleagues in the real estate industry, and family members who wrote letters of reference on her behalf. Many of them had knowledge of the Revocation Order or criminal conviction, and they supported Respondent's continued real estate licensure, collectively characterizing her as conscientious, responsible, hardworking, professional, ethical, honest, and a person of great integrity.

Costs

31. Complainant submitted evidence of the incurred costs of investigation and enforcement of this matter totaling \$1,951.20. This included \$1,238.40 in investigation costs and \$712.80 in attorney costs. All costs are deemed reasonable.

LEGAL CONCLUSIONS

1. Pursuant to Business and Professions Code sections 490 and 10177, subdivision (b), the Department has the authority to suspend or revoke the licensing rights of a real estate salesperson if the licensee has been convicted of a crime substantially related to the qualifications, functions, or duties of a licensed real estate salesperson.

2. California Code of Regulations, title 10, section 2910, subdivision (a) provides a "crime or act shall be deemed to be substantially related to the

qualifications, functions, or duties of a licensee . . . if it involves [¶] . . . [¶] (4) The employment of bribery, fraud, deceit, falsehood or misrepresentation to achieve an end.”

3. Respondent’s criminal conviction for grand theft constitutes the employment of fraud, deceit, falsehood, or misrepresentation to achieve an end. Consequently, Respondent’s criminal conviction is substantially related to the qualifications, functions, or duties of a real estate licensee.

4. Cause exists to suspend or revoke Respondent’s real estate salesperson’s license, pursuant to Business and Professions Code sections 490 and 10177, subdivision (b), and California Code of Regulations, title 10, section 2910, subdivision (a)(8), for her criminal conviction which is substantially related to the duties, qualifications, and functions of a real estate licensee, as set forth in Factual Findings 6 and 11 through 14, and Legal Conclusions 1 through 3.

5. Business and Professions Code section 10186.2 requires a licensee to report specified occurrences to the Department as follows:

(a) (1) A licensee shall report any of the following to the department:

(A) The bringing of a criminal complaint, information, or indictment charging a felony against the licensee.

(B) The conviction of the licensee, including any verdict of guilty, or plea of guilty or no contest, of any felony or misdemeanor.

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(C) Any disciplinary action taken by another licensing entity or authority of this state or of another state or an agency of the federal government.

(2) The report required by this subdivision shall be made in writing within 30 days of the date of the bringing of the indictment or the charging of a felony, the conviction, or the disciplinary action.

(b) Failure to make a report required by this section shall constitute a cause for discipline.

6. Cause exists to suspend or revoke Respondent's real estate salesperson's license, pursuant to Business and Professions Code sections 10186.2, for her failure to report the filing of the felony complaint against her or her criminal conviction to the Department within 30 days of either the filing of the felony criminal complaint or within 30 days of her criminal conviction, as set forth in Factual Findings 11 through 13 and 15, and Legal Conclusion 5.

7. Pursuant to Business and Professions Code section 10177, the Department has the authority to suspend or revoke the licensing rights of a real estate salesperson if the licensee has:

(f) [H]ad a license issued by another agency of this state . . . revoked . . . for acts that, if done by a real estate licensee, would be grounds for the suspension or revocation of a California real estate license, if the action of . . . the other agency . . . was taken only after giving the licensee . . . fair notice of the charges, an opportunity for a hearing, and

other due process protections . . . and only upon an express finding of a violation of law by the agency or entity.

[¶] . . . [¶]

(j) Engaged in any other conduct, whether of the same or of a different character than specified in this section, that constitutes fraud or dishonest dealing.

8. Cause exists to suspend or revoke Respondent's real estate salesperson's license, pursuant to Business and Professions Code section 10177, subdivisions (f) and (j), based on the revocation of her insurance license for engaging in fraud and dishonest dealing, as set forth in Factual Findings 4 through 10, and Legal Conclusion 7.

9. Cause exists to suspend or revoke Respondent's real estate salesperson's license, pursuant to Business and Professions Code sections 10186.2, for her failure to report to the Department the disciplinary action taken by the Insurance Commissioner within 30 days of the disciplinary action, as set forth in Factual Findings 4 through 10 and 16, and Legal Conclusion 5.

10. California Code of Regulations, title 10, section 2912, lists criteria developed by the Department to evaluate the rehabilitation of a licensee following the licensee's conviction of a crime. The criteria include: (1) The passage of not less than two years from the most recent criminal conviction that is "substantially related" to the qualifications, functions or duties of a licensee (subd. (a)); (2) Restitution to any person who has suffered monetary losses through "substantially related" acts or omissions of the licensee (subd. (b)); (3) Expungement of the conviction or convictions which culminated in the administrative proceeding to take disciplinary action (subd. (c)); (4)

Expungement or discontinuance of a requirement of registration pursuant to the provisions of Section 290 of the Penal Code (subd. (d)); (5) Successful completion or early discharge from probation or parole (subd. (e)); (6) Abstinence from the use of controlled substances or alcohol for not less than two years if the criminal conviction was attributable in part to the use of a controlled substance or alcohol (subd. (f)); (7) Payment of any fine imposed in connection with the criminal conviction that is the basis for revocation or suspension of the license (subd. (g)); (8) Correction of business practices responsible in some degree for the crime or crimes of which the licensee was convicted (subd. (h)); (9) New and different social and business relationships from those which existed at the time of the commission of the acts that led to the criminal conviction or convictions in question (subd. (i)); (10) Stability of family life and fulfillment of parental and familial responsibilities subsequent to the criminal conviction (subd. (j)); (11) Completion of, or sustained enrollment in, formal educational or vocational training courses for economic self-improvement (subd. (k)); (12) Significant and conscientious involvement in community, church or privately sponsored programs designed to provide social benefits or to ameliorate social problems (subd. (l); and (13) Change in attitude from that which existed at the time of the commission of the criminal acts in question as evidenced by the absence of further criminal convictions, by the testimony of the licensee, and by evidence from family, friends, probation or parole officers, psychiatrists, or clinical psychologists (subd. (m)).

11. Respondent has substantially complied with the Department's rehabilitation criteria. Just under two years have transpired since her January 2022 criminal conviction, and almost five years have lapsed since her crime (subd. (a)); she has paid the restitution imposed in connection with her criminal conviction (subds. (b) and (g)); she successfully completed probation and obtained expungement of her conviction (subds. (c) and (e)); she corrected the business practices leading to her

criminal conviction (subd. (h)); she has a stable family life and is fulfilling her parental responsibilities (subd. (j)); she completed educational courses for self-improvement, including an ethics course (subd. (k)); she is involved in community programs designed to provide social benefits or to ameliorate social problems (subd. (/)); and she has a change in attitude from that which existed at the time of the commission of her crime as evidenced by the absence of further criminal convictions, by her testimony acknowledging her wrongdoing, and by letters from family, friends, colleagues, and her employing broker (subd. (m)).

12. As noted above, Respondent expressed remorse and appears contrite for her misconduct leading to her criminal conviction. She accepted responsibility for her wrongdoing. Remorse for one's conduct and the acceptance of responsibility are the cornerstones of rehabilitation. (See *In the Matter of Brown* (1993) 2 Cal. State Bar Ct. Rptr. 309.) Fully acknowledging the wrongfulness of past actions is an essential step towards rehabilitation. (See *Seide v. Committee of Bar Examiners* (1989) 49 Cal.3d 933; *In the Matter of Brown, supra*.)

13. In addition to her acceptance of responsibility and remorse, Respondent's conduct over an extended period of time demonstrates her ongoing rehabilitation. (*In re Menna* (1995) 11 Cal.4th 975, 991 (holding that a truer indication of rehabilitation is sustained conduct over an extended period of time).) Almost five years have lapsed since Respondent's wrongdoing, without further incident, and she has been released from probation for almost a full year without further violations.

14. Respondent corroborated her assertions of good character to address concerns of recidivism. She provided reference letters from her current supervising broker, insurance and real estate colleagues and clients, friends, and family members who attested to her current character for honesty and integrity. Character references

from employers, supervisors, colleagues, and associates familiar with Respondent's work practices are given careful consideration. (See *Werner v. State Bar of Cal.* (1954) 42 Cal.2d 187, 196-197; *Preston v. State Bar of Cal.* (1946) 28 Cal.2d 643, 650-651.)

15. Rehabilitation is a qualitative determination, not quantitative. One cannot just add up specified criteria, met and unmet, in order to determine whether or not a person has been rehabilitated. These factors are merely indicators that a person may have changed his or her ways and is, therefore, unlikely to reoffend. No one of them alone – in fact not all of them together – can guarantee that an individual is truly rehabilitated.

16. Respondent has demonstrated a history of lawful conduct over most of her 20 years of professional licensure, except for a 2010 family-related incident (leading to a 2011 criminal conviction and 2014 insurance license restriction) and her 2019 misconduct (leading to the 2020 Revocation Order and 2022 criminal conviction). Since 2019, Respondent has increasingly made progress toward rehabilitation such that, in this case, outright revocation of all licensing rights would be overly harsh discipline.

17. The purpose of this administrative proceeding not to impose punishment on Respondent. Rather, its purpose is to protect the public. (*Camacho v. Youde* (1979) 95 Cal.App.3d 161, 164.) Given the foregoing, a restricted license is consistent with the Department's public protection mandate.

18. Pursuant to Business and Professions Code section 10106, the Department may recover its reasonable costs of investigation and enforcement of this matter in the amount of \$1,951.20, as set forth in Factual Finding 31.

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ORDER

All licenses and licensing rights of Respondent, Blanca Lidia Guzman, under the Real Estate Law are revoked; provided, however, a restricted real estate salesperson license shall be issued to Respondent pursuant to Section 10156.5 of the Business and Professions Code if Respondent makes application therefor and pays to the Department of Real Estate the appropriate fee for the restricted license within 90 days from the effective date of this Decision. The restricted license issued to Respondent shall be subject to all the provisions of Section 10156.7 of the Business and Professions 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 Real Estate 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 apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations, or restrictions of a restricted license until two years have elapsed from the effective date of this Decision.

4. Respondent shall submit with any application for license under an employing broker, or any application for transfer to a new employing broker, a statement signed by the prospective employing real estate broker on a form approved by the Department of Real Estate which shall certify:

(a) That the employing broker has read the Decision of the Commissioner which granted the right to a restricted license; and

(b) That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.

5. Respondent shall, within nine months from the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner that Respondent has, since the most recent issuance of an original or renewal real estate license, taken and successfully completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If Respondent fails to satisfy this condition, the Commissioner may order the suspension of the restricted license until the Respondent presents such evidence. The Commissioner shall afford Respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to present such evidence.

6. Respondent shall notify the Real Estate Commissioner in writing within 72 hours of any arrest by sending a certified letter to the Commissioner at the Department of Real Estate, Post Office Box 137000, Sacramento, CA 95813-7000. The letter shall set forth the date of Respondent's arrest, the crime for which Respondent was arrested and the name and address of the arresting law enforcement agency. Respondent's failure to timely file written notice shall constitute an independent

violation of the terms of the restricted license and shall be grounds for the suspension or revocation of that license.

7. Respondent shall pay costs of \$1,951.20 to the Real Estate Commissioner in the form of a cashier's check or certified check within 30 days of the effective date of this Decision, or on a payment plan by agreement with the Commissioner.

DATE: 12/18/2023

A black rectangular box redacting the signature of Julie Cabos-Owen.

JULIE CABOS-OWEN

Administrative Law Judge

Office of Administrative Hearings