

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

FILED

JUL 29 2024

DEPT. OF REAL ESTATE

By 

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

10 In the Matter of the Accusation against)	No. H-42769 LA
)	
11 RELIABLE REALTY INC;)	STIPULATION
)	AND
12 and)	AGREEMENT
)	
13)	
14 KELLEE SPILLMAN-MALONE, as)	
designated officer of Reliable Realty Inc,)	
)	
15 Respondents.)	
)	
16)	

17 It is hereby stipulated by and between Respondents RELIABLE REALTY INC
18 (RRI) and KELLEE SPILLMAN-MALONE (MALONE), both represented by Frank M. Buda,
19 Esq., and the Complainant, acting by and through Julie L. To, Counsel for the Department of
20 Real Estate ("Department" or "DRE"), as follows for the purpose of settling and disposing of the
21 Accusation filed on December 27, 2023 in Department of Real Estate Case No. H-42769 LA, in
22 this matter.

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

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

9 3. On or about December 13, 2023, Respondents timely filed Notices of
10 Defense pursuant to Section 11505 of the Government Code for the purpose of requesting a
11 hearing on the allegations in the Accusation. Respondents hereby freely and voluntarily
12 withdraw said Notices of Defense. Respondents acknowledges that they understand that by
13 withdrawing said Notices of Defense they thereby waives their right to require the Real Estate
14 Commissioner (Commissioner) to prove the allegations in the Accusation at a contested hearing
15 held in accordance with the provisions of the APA, and that they waives other rights afforded to
16 them in connection with the hearing such as the right to present evidence in their defense of the
17 allegations in the Accusation and the right to cross-examine witnesses.

18 4. This Stipulation is based on the factual allegations contained in the
19 Accusation. In the interest of expediency and economy, Respondents choose not to contest these
20 factual allegations, but to remain silent and understands that, as a result thereof, these factual
21 allegations, without being admitted or denied, will serve as a prima facie basis for the
22 disciplinary action stipulated to herein. The Commissioner shall not be required to provide
23 further evidence to prove such allegations.

24 5. This Stipulation and Respondents' decision not to contest the Accusation
25 are made for the purpose of reaching an agreed disposition of this proceeding and are expressly
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1 limited to this proceeding and any other proceeding or case in which the Department, the state or
2 federal government, an agency of this state, or an agency of another state is involved, and shall
3 not be otherwise admissible in any other criminal or civil procedure. Respondents further
4 understand that the sustained violation(s) may be considered in any future administrative or
5 disciplinary matters by the Department.

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

13 7. The Order or any subsequent Order of the Commissioner made pursuant to
14 this Stipulation shall not constitute an estoppel, merger, or bar to any further administrative or
15 civil proceedings by the Department with respect to any matters which were not specifically
16 alleged to be causes for Accusation in this proceeding but do constitute a bar, estoppel and
17 merger as to any allegations actually contained in the Accusation against Respondents herein.

18 8. Respondents understand that by agreeing to this Stipulation and pursuant
19 to Code Section 10148, Respondents agree to be jointly and severally liable for payment of the
20 cost of the audit (audit costs) which led to this disciplinary action, Audit SD220022. The amount
21 of said audit costs for the audit examination (Audit SD220022) is \$8,663.50. Respondents agree
22 to pay, pursuant to Code Section 10148, the amount \$8,663.50 for the cost of Audit SD220022.

23 9. Respondents have received, read, and understand the "Notice Concerning
24 Costs of Subsequent Audit." Respondents understand that by agreeing to this Stipulation, the
25 findings set forth below in the Determination of Issues become final, and the Commissioner may
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1 charge Respondents for the cost of any subsequent (follow-up) audit(s) conducted pursuant to
2 Code Section 10148 to determine if the violations found in Audit SD220022 have been
3 corrected. The maximum cost of the follow-up audit will not exceed one-hundred twenty-five
4 percent (125%) of the cost of Audit SD220022. The total cost of Audit SD220022 is \$8,663.50;
5 the maximum cost of the follow-up audit will not exceed \$10,829.38 (or, \$8,663.50 x 125%).
6 Therefore, Respondents may be charged a maximum of \$10,829.38 in the event of a subsequent
7 audit.

8 10. Respondents understand that by agreeing to this Stipulation and pursuant
9 to Code Section 10106, Respondents agree to be jointly and severally liable for payment of the
10 Commissioner's cost of the investigation and enforcement costs (investigative costs) which
11 resulted in the determination that Respondents committed the violation(s) found in the
12 Determination of Issues. The amount of total said investigative costs is \$1,279.50 (comprised of
13 \$487.50 in investigation costs and \$792.00 in enforcement costs); therefore, Respondents agree
14 to pay, pursuant to Code Section 10106, the total investigative costs amount of \$1,279.50.

15 DETERMINATION OF ISSUES

16 By reason of the foregoing stipulations, admissions and waivers, and solely for
17 the purpose of settlement of the pending Accusation without a hearing, it is stipulated and agreed
18 that the following determination of issues shall be made:

19 The conduct, acts or omissions of Respondent RELIABLE REALTY INC, as
20 described in Paragraph 4, herein above, are in violation of the Real Estate Law pursuant to Code
21 Sections 10145, 10145(a), 10159.5, 10176(e), 10176(g) and Regulations 2731, 2831, 2831.1,
22 2831.2, 2832, 2835(a), and 2835(b), and are bases for the suspension or revocation of the license
23 and license rights of Respondent RRI.

24 The conduct, acts or omissions of Respondent KELLEEE SPILLMAN-MALONE,
25 as described in Paragraph 4, herein above, are in violation of the Real Estate Law pursuant to
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1 Code Section 10159.2 and Regulation 2725, and are bases for the suspension or revocation of the
2 license and license rights of Respondent MALONE.

3 ORDER

4 WHEREFORE, THE FOLLOWING ORDER is hereby made:

5 I.

6 All licenses and licensing rights of Respondents RELIABLE REALTY INC and
7 KELLEE SPILLMAN-MALONE under the Real Estate Law are suspended for a period of sixty
8 (60) days from the effective date of this Decision and Order; provided, however, that all sixty
9 (60) days of said suspension shall be stayed for two (2) years upon the following terms and
10 conditions:

11 1. Respondents shall obey all laws, rules and regulations governing the
12 rights, duties and responsibilities of a real estate licensee in the State of California.

13 2. No further cause for disciplinary action against the real estate license
14 of Respondents occurs within two (2) years from the effective date of the Decision in this matter.
15 If no further cause for disciplinary action against the real estate licenses of Respondents occurs
16 within two (2) years from the effective date of the Decision, the stay hereby granted shall
17 become permanent.

18 3. Pursuant to Section 10148 of the Code, Respondents shall pay the sum of
19 \$8,663.50 for the Commissioner's cost of the audit (SD220022) which led to this disciplinary
20 action. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may
21 use the estimated average hourly salary for all persons performing audits of real estate brokers,
22 and shall include an allocation for travel time to and from the auditor's place of work.
23 Respondents shall pay the Commissioner's cost of the audit within sixty (60) days of receiving
24 an invoice therefore from the Commissioner. Payment of audit costs should not be made until
25 Respondents receive the invoice, and Respondents' payment(s) must be delivered in accordance
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1 to the invoice instructions. Failure to satisfy this condition in a timely manner as provided for
2 herein, shall result in the automatic suspension of Respondents' real estate licenses until payment
3 of said audit costs is made in full, or until a decision providing otherwise is adopted following a
4 hearing held pursuant to this condition.

5 4. Pursuant to Section 10148 of the Code, Respondents shall pay the
6 Commissioner's reasonable cost, not to exceed \$10,829.38 [or, 125% of the original audit cost],
7 for a subsequent audit to determine if Respondents have corrected the violations found in the
8 Determination of Issues. In calculating the amount of the Commissioner's reasonable cost, the
9 Commissioner may use the estimated average hourly salary for all persons performing audits of
10 real estate brokers, and shall include an allocation for travel time to and from the auditor's place
11 of work. Respondents shall pay such cost within sixty (60) days of receiving an invoice
12 therefore from the Commissioner. Payment of the audit costs [for a subsequent audit] should not
13 be made until Respondents receive the invoice. If Respondents fail to satisfy this condition in a
14 timely manner as provided for herein, Respondents' real estate licenses shall automatically be
15 suspended until payment is made in full, or until a decision providing otherwise is adopted
16 following a hearing held pursuant to this condition.

17 5. All licenses and licensing rights of all Respondent are indefinitely
18 suspended unless or until Respondents pay the amount \$1,279.50 for the Commissioner's
19 reasonable cost of the investigation and enforcement which led to this disciplinary action.
20 Respondents' payment(s) shall be in the form of a cashier's check or certified check made
21 payable to the Department of Real Estate, and must be delivered to the Department of Real
22 Estate, Flag Section at 651 Bannon Street, Suite 504, Sacramento, CA 95811, prior to the
23 effective date of this Decision and Order.

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1 6. All licenses and licensing rights of Respondent are indefinitely suspended
2 unless or until Respondent MALONE provides proof satisfactory to the Commissioner of
3 having taken and successfully completed the continuing education course on trust fund
4 accounting and handling specified in paragraph (3) of subdivision (a) of Section 10170.5 of the
5 Business and Professions Code. Proof of satisfaction of these requirements includes evidence
6 that Respondent has successfully completed the trust fund accounting courses, no earlier than
7 one hundred and twenty (120) days prior to the effective date of the Decision and Order in this
8 matter. Proof of completion of the trust fund accounting and handling courses must be
9 delivered to the Department of Real Estate, Flag Section, at 651 Bannon Street, Suite 504,
10 Sacramento, CA 95811, prior to the effective date of this Decision and Order.

11
12 DATED: 07-09-24 _____

Julie To

Julie L. To,
Counsel for Department of Real Estate

14 * * *

15 II.

16 EXECUTION OF THE STIPULATION

17 We have read the Stipulation and Agreement. Its terms are understood by us and
18 are agreeable and acceptable to us. We understand that we are waiving rights given to us by the
19 California Administrative Procedure Act (including but not limited to Sections 11506, 11508,
20 11509 and 11513 of the Government Code), and we willingly, intelligently and voluntarily waive
21 those rights, including the right of requiring the Commissioner to prove the allegations in the
22 Accusation at a hearing at which we would have the right to cross-examine witnesses against us
23 and to present evidence in defense and mitigation of the charges.

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III.

MAILING AND FACSIMILE

Respondents can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by sending a hard copy of the original signed signature page of the Stipulation herein to Julie L. To, Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105. In the event of time constraints before an administrative hearing, Respondents can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by e-mailing a scanned copy of the signature page, as actually signed by Respondent to the Department counsel assigned to this case. Respondents agree, acknowledge, and understand that by electronically sending to the Department a scan of Respondents' actual signatures as they appears on the Stipulation and Agreement, that receipt of the scan by the Department shall be binding on Respondents as if the Department had received the original signed Stipulation and Agreement.

DATED: 7/2/2024

DATED: 7/2/2024

I have reviewed the Stipulation and Agreement as to form and have advised my clients accordingly.

DATED: 7-8-2024

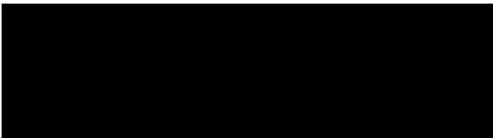
The foregoing Stipulation and Agreement is hereby adopted as my Decision as to

1 Respondents RELIABLE REALTY INC and KELLEEE SPILLMAN-MALONE and shall
2 become effective at 12 o'clock noon on AUG 28 2024, 2024.

3 IT IS SO ORDERED 7/23/2024, 2024.

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CHIKA SUNQUIST
REAL ESTATE COMMISSIONER



By: Marcus L. McCarther
Deputy Real Estate Commissioner