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FILED

DEC 27 2023

DEPT. OF REAL ESTATE

By 

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

11 * * *

12 In the Matter of the Accusation of) No. H-42787 LA
13)
13 SONORA REALTY GROUP INC.,) ACCUSATION
14 doing business as Arnold Realty)
14 KW Sierra Foothills, Golden K Homes,)
15 Golden K Properties, Keller Williams Realty,)
15 Keller Williams Realty Sierra Foothills,)
16 KW Arnold, KW Sierra Foothills,)
16 Sonora Realty Group,)
17 Sonora Realty Group Property Management,)
17 and "Team Elite", and)
18 JUDITH ELLEN AUSTIN,)
18 individually and as designated officer of)
19 Sonora Realty Group Inc.,)
20)
20 Respondents.)
21)

22 The Complainant, Joseph D. Aiu, a Supervising Special Investigator of the State
23 of California, for cause of Accusation against SONORA REALTY GROUP INC., doing
24 business as Arnold Realty KW Sierra Foothills, Golden K Homes, Golden K Properties, Keller
25 Williams Realty, Keller Williams Realty Sierra Foothills, KW Arnold, KW Sierra Foothills,
26 Sonora Realty Group, Sonora Realty Group Property Management, and "Team Elite", and
27

Accusation of SONORA REALTY GROUP INC. and JUDITH ELLEN AUSTIN

1 JUDITH ELLEN AUSTIN, individually and as designated officer of Sonora Realty Group Inc.,
2 (“Respondents”), is informed and alleges as follows:

3 1.

4 The Complainant, Joseph D. Aiu, acting in his official capacity as a Supervising
5 Special Investigator of the State of California, makes this Accusation against Respondents
6 SONORA REALTY GROUP INC. and JUDITH ELLEN AUSTIN.

7 2.

8 All references to the “Code” are to the California Business and Professions Code
9 and all references to “Regulations” are to Title 10, Chapter 6, California Code of Regulations.

10 LICENSE HISTORY

11 3.

12 Respondent SONORA REALTY GROUP INC. (“SONORA REALTY”)
13 presently has license rights under the Real Estate Law, Part 1 of Division 4 of the Code as a
14 corporate real estate broker.

15 4.

16 Respondent JUDITH ELLEN AUSTIN (“AUSTIN”) presently has license rights
17 as a real estate broker.

18 5.

19 From about April 25, 2019, to the present, Respondent SONORA REALTY is
20 licensed by the Department of Real Estate (“Department”) as a corporate real estate broker by
21 and through Respondent AUSTIN, as the designated officer and broker responsible, pursuant to
22 Code section 10159.2, for supervising the activities requiring a real estate license conducted on
23 behalf of SONORA REALTY, or by SONORA REALTY’S officers, agents and employees.

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UNLICENSED ENTITIES

6.

OLA Ranch Properties, LLC (“subdivider OLA Ranch”), Kila Peterson (“Peterson”), Jonathan Staub (“Staub”), and Flanders-Staub 2007 Irrevocable Trust (“Flanders-Staub Trust”) are not now, and have never been, licensed by the Department in any capacity.

7.

From June 28, 1985, to June 27, 2017, George L Bean (“Bean”) was licensed by the Department as a real estate salesperson. Bean’s license expired on June 27, 2017.

8.

On or about March 26, 2013, Articles of Organization were filed with the Secretary of State for subdivider OLA Ranch. The Operating Agreement for subdivider OLA Ranch listed Flanders-Staub Trust as the member of subdivider OLA Ranch.

9.

On or about March 5, 2021, a Statement of Information was filed with the Secretary of State for subdivider OLA Ranch. Subdivider OLA Ranch’s manager or member was listed as Flanders-Staub Trust.

10.

On or about March 29, 2023, a Statement of Information was filed with the Secretary of State for subdivider OLA Ranch. Subdivider OLA Ranch’s manager or member was listed as Flanders-Staub Trust.

11.

On or about August 7, 2023, a Statement of Information was filed with the Secretary of State for subdivider OLA Ranch. Subdivider OLA Ranch’s managers or members were listed as Peterson, Staub, and Bean.

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1 SALE OF LOTS WITHOUT VALID PUBLIC REPORT

2 12.

3 On or about November 21, 2017, in the matter of the application of subdivider
4 OLA Ranch, File No. 154320SA-F00, the Department issued a Final Subdivision Public Report
5 Planned Development (“Public Report”) expiring on or about November 20, 2022, on the
6 Ranch Subdivision, a.k.a. Boulders, Phase 3 (“Boulders Phase 3”). The Public Report covered
7 lots 3, 4, 14, 15, 16, 17, 18, 19, 21, 31, 34, 35, and 45.

8 13.

9 On or about November 20, 2022, the Public Report expired.

10 14.

11 On or about June 1, 2023, the Department received a Public Report
12 Amendment/Renewal Application (“Public Report Application”), File No. 154320SA-A01, for
13 Boulders Phase 3 for lots 3, 4, 17, 18, 19, 21, 31, 34, 35, and 45. Peterson signed the Public
14 Report Application on or about May 25, 2023, as Manager for subdivider OLA Ranch. The
15 Public Report Application listed the subdivider as subdivider OLA Ranch, attention Peterson
16 and Bean, and the single responsible party as First American Title Company, attention Jennifer
17 Halbritter.

18 15.

19 On or about June 1, 2023, the Department received a Subdivision Transmittal
20 Form from Jennifer Halbritter and First American Title Company, which stated in part, “Lot 17
21 and 21 were accidentally sold/closed under an expired Final Public Report.”

22 16.

23 On or about June 22, 2023, the Department issued a Denial of the Public Report
24 Application.

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17.

Respondents SONORA REALTY and AUSTIN sold and/or closed escrow on 2 lots within Boulders Phase 3 after the expiration of Public Report:

(17)(a) Lot 17, address 18933 Ranch Rd ("lot 17"), New Construction Purchase Agreement and Joint Escrow Instructions was signed by SONORA REALTY, AUSTIN, and Bean on or about April 16, 2023, and the grant deed was signed by Bean on or about April 24, 2023, and recorded on or about May 17, 2023.

(17)(b) Lot 21, address 18940 Ranch Rd ("lot 21"), New Construction Purchase Agreement and Joint Escrow Instructions was signed by SONORA REALTY, AUSTIN, and Bean on or about April 5, 2023, and the grant deed was signed by Bean on or about April 24, 2023, and recorded on or about May 11, 2023.

18.

The New Construction Purchase Agreement and Joint Escrow Instructions for both lot 17 and lot 21 provided: Section 4.J. Public Report Status, box checked for Final Public Report, and section 4.M(4) Review of Public Report, 17 (or 14) Days after Acceptance, or 5 Days after Delivery, whichever is later; section 5.B.(1) If checked, Buyer acknowledges receipt of the following disclosures: Final Public Report; and section 12.A. A public report is required to be delivered to Buyer prior to the execution of this Agreement.

FIRST CAUSE OF ACTION

SALE OF LOTS WITHOUT VALID PUBLIC REPORT

19.

The conduct, acts, and omissions of Respondents SONORA REALTY and AUSTIN, as described in Paragraphs 12 through 18 above, are in violation of Code section 11018.2 and Regulations section 2800 and constitute cause under Code sections 10177(d) and/or 10177(g) for the suspension or revocation of all the licenses, license endorsements, and license rights of SONORA REALTY and AUSTIN.

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Accusation of SONORA REALTY GROUP INC. and JUDITH ELLEN AUSTIN

1 SECOND CAUSE OF ACTION

2 FAILURE TO SUPERVISE

3 20.

4 The conduct, acts, or omissions of Respondent AUSTIN, as described in
5 Paragraphs 12 through 18 above, in failing to ensure compliance of the Real Estate Law by
6 Respondent SONORA REALTY, are in violation of Code section 10159.2 and Regulations
7 section 2725 and constitute cause under Code sections 10177(d), 10177(g), and/or 10177(h) for
8 the suspension or revocation of all the licenses, license endorsements, and license rights of
9 AUSTIN.

10 21.

11 Code section 10106 provides, in pertinent part, that in any order issued in
12 resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner
13 may request the administrative law judge to direct a licensee found to have committed a
14 violation of this part to pay a sum not to exceed the reasonable costs of the investigation and
15 enforcement of the case.

16 WHEREFORE, Complainant prays that a hearing be conducted on the
17 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing
18 disciplinary action against all the licenses, license endorsements, and license rights of
19 Respondents SONORA REALTY GROUP INC. and JUDITH ELLEN AUSTIN under the Real
20 Estate Law, for the cost of investigation and enforcement as permitted by law, and for such
21 other and further relief as may be proper under other applicable provisions of law.

22
23 Dated at Los Angeles, California

24 this 27th day of December, 2023

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27 Joseph D. Aiu
Supervising Special Investigator

Accusation of SONORA REALTY GROUP INC. and JUDITH ELLEN AUSTIN

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cc: SONORA REALTY GROUP INC.
JUDITH ELLEN AUSTIN
Joseph D. Aiu
Sacto.