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1 Bureau of Real Estate
2 320 W. 4th St., # 350
3 Los Angeles, CA 90013

FILED

JUN 18 2014

BUREAU OF REAL ESTATE

By J. Acronak

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8 BEFORE THE BUREAU OF REAL ESTATE

9 STATE OF CALIFORNIA

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11 In the Matter of the Continuing) H- 39496 LA
12 Education Offerings of)
13 CALIFORNIA BROKERS INSTITUTE,)
14 Sponsor.)

15 NOTICE OF WITHDRAWAL OF CONTINUING
16 EDUCATION OFFERINGS APPROVALS

17 TO: CALIFORNIA BROKERS INSTITUTE
18 Donald Anthony Kalal
21133 Victory Blvd., #216
Canoga Park, CA 91303

- 19 RE: 1. "FAIR HOUSING" 0832-1025
20 2. "RISK MANAGEMENT" 0832-1027
21 3. "AGENCY" 0832-1024
22 4. "ETHICS" 0832-1023
23 5. "TRUST FUNDS" 0832-1026
24 6. "REAL ESTATE MATTERS" 0832-1022

1 NOTICE IS HEREBY GIVEN pursuant to the provisions of
2 Section 3010 of Title 10, Chapter 6, California Code of
3 Regulations ("Regulations") that the Real Estate Commissioner
4 ("Commissioner") has caused an investigation to be made into the
5 presentation of the continuing education course offering
6 identified in Paragraph 2, below, sponsored by CALIFORNIA
7 BROKERS INSTITUTE ("CBI") and previously approved by the Bureau
8 (formerly Department) of Real Estate of the State of California
9 ("Bureau"), that on the basis of that investigation, the
10 Commissioner has determined that said courses no longer meet the
11 statutory and regulatory standards for approval for continuing
12 education course offerings, and that approval of said courses
13 should be and hereby is withdrawn for the reasons set forth
14 below:

15 1. CBI is the sponsor of the continuing education
16 course offering identified in Paragraph 2, below. CBI is owned
17 and controlled by Donald Anthony Kalal ("Kalal"), a real estate
18 broker, License ID 00398765.

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2. The Bureau issued to CBI approval for the following continuing education course offerings pursuant to Business and Professions Code ("Code") Section 10170.4 and Regulations 3006 and 3007:

COURSE NO. ISSUED BY <u>BUREAU</u>	DATE <u>APPROVED</u>	COURSE <u>TITLE</u>	<u>STATUS</u>
0832-1025	01/23/2011	Fair Housing	Expired
0832-1027	06/07/2011	Risk Management	Expired
0832-1024	01/23/2011	Agency	Expired
0832-1023	01/23/2011	Ethics	Expired
0832-1026	01/23/2011	Trust Funds	Expired
0832-1022	05/11/2011	Real Estate Matters	Expired

These courses were applied for and approved to be taught as correspondence courses.

3. In order to qualify for renewal of a real estate license, a licensee must prove successful completion of continuing education courses, or the equivalent, such as that identified in Paragraph 2, above, during the preceding four-year period (Code Section 10170.5).

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1 4. Approval of the courses identified in Paragraph 2
2 was predicated upon the sponsor's compliance with Regulations
3 3005 through 3012.2 and Code Sections 10170 through 10170.6,
4 including the following criteria set forth by the Regulations,
5 and other assurances, which CBI and Kalal represented and
6 assured the Bureau would be complied with:

7 • Regulation 3006(d) provides that a continuing
8 education offering shall have an appropriate form of final
9 examination as set forth in Section 3007.3.

10 • Regulation 3006(o) provides that a correspondence
11 course offered via the internet in one or more aspects of the
12 course offering must have a method of control in place to
13 protect the integrity of the exam, ensure by written statement
14 signed under penalty of perjury that the participant enrolled is
15 the person completing the course and ensure the course cannot be
16 completed in less time than the approved credit hours by
17 controlling the participant's navigation through the course
18 content.

19 • Regulation 3007.05 provides that a participant shall
20 present one of the following forms of identification immediately
21 before admittance to a live presentation of an offering or,
22 immediately before the administration of the final examination
23 for a correspondence offering.

24 (a) A current California driver license.

1 (b) A current identification card described in Section
2 13000 of the California Vehicle Code.

3 (c) Any identification of the participant issued by a
4 governmental agency or a recognized real estate related trade
5 organization within the immediately preceding five years which
6 bears a photograph, signature, and identification number of the
7 participant.

8 • Regulation 3007.3 provides that a final examination
9 is required for all continuing education classes, and that
10 sponsors shall establish final examination rules, including but
11 not limited to the following, for approved offerings that are to
12 be observed by all offering participants:

13 • Regulation 3007.3(a) provides that the final
14 examination shall provide the means by which a sponsor
15 determines whether a participant has successfully completed the
16 offering. The sponsor shall take steps to protect the integrity
17 of the examination by controlling access to the exam by the
18 participant and to prevent cheating in an examination.

19 • Regulation 3007.3(b) provides that the final
20 examination shall not be taken by participants until completion
21 of the instructional portion of the offering to which the
22 examination applies.

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1 • Regulation 3007.3(c) provides that participants
2 taking a correspondence offering or package of offerings shall
3 be limited to completion of final examinations for a maximum of
4 fifteen (15) credit hours during any one 24 hour period. A
5 participant shall not be granted access to additional segments
6 of the final examination for offerings or a package of offerings
7 that exceed fifteen (15) credit hours until the appropriate 24-
8 hour period has lapsed.

9 • Regulation 3007.3(e) provides that a final
10 examination consisting only of multiple choice, true/false,
11 and/or fill-in the blank questions shall be limited to a maximum
12 of 10% of true/false questions.

13 • Regulation 3007.3(i) provides that final
14 examinations for a correspondence course may be administered via
15 the internet provided the integrity of the final examination is
16 protected by restricting access to one-time, cannot be printable
17 or downloadable, and must time-out after the maximum amount of
18 time authorized for completion has lapsed.

19 • Regulation 3007.3(j)(2) provides that for a
20 correspondence course administered via the internet, a
21 participant must spend the requisite number of hours navigating
22 through the content and completing the incremental assessments
23 prior to being granted access to the final examination.
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1 • Regulation 3007.3(k) provides that an offering may
2 include a provision for one retaking of the final examination by
3 a participant who failed the original examination provided the
4 questions in the re-examination are different questions than
5 those asked in the original final examination. A participant
6 who fails the re-examination has failed the course and receives
7 no credit from that course. Such a participant is not barred
8 from re-enrolling and attempting completion of the same course,
9 but must re-complete the credit hours and pass the final
10 examination to receive credit for the course.

11 • Regulation 3007.3(l) provides that questions used in
12 a final examination shall not duplicate any more than 10% of
13 questions used in any other quiz or examination utilized during
14 the presentation of the course.

15 • Regulation 3007.3(n) provides that a violation of a
16 final examination rule by the sponsor or the sponsor's
17 representative administering the examination shall constitute
18 grounds for denial or withdrawal of approval of the offering.

19 • Regulation 3007.6 provides that all advertising and
20 promotional material for a continuing education offering shall:

21 (1) Not include false or misleading statements or
22 representations.

23 (2) Classify the offering in accordance with Section
24 10170.5(a) of the Code.

1 (3) Contain only the four-digit identification number
2 assigned by the [Department] immediately following the words
3 "DRE Sponsor No." The full eight (8) digit course approval
4 number shall not be included in any advertisement.

5 5. In or around November, 2011, a routine monitoring
6 assignment of CBI's courses was conducted by the Cooperative
7 Personnel Services Human Resource Consulting ("CPS"). On or
8 about November 18, 2011, monitor Melissa Carlson ("Monitor
9 Carlson") registered for 45-hours of continuing education ("CE")
10 courses with CBI. Monitor Carlson received course information
11 by mail on or about November 21, 2011.

12 6. On or November 28, 2011, Monitor Carlson logged
13 on-line to take the final examinations for the CE courses.
14 Monitor Carlson was not required to submit proper photo
15 identification as required under Regulation 3007.05.

16 7. Upon logging in on-line, Monitor Carlson had
17 immediate access to the final examinations without CBI ensuring
18 that Monitor Carlson spent the requisite time navigating all of
19 the course material in violation of Regulations 3006(o),
20 3007.3(b), and 3007.3(j)(2).

21 8. Respondent CBI violated Sections 3007.3(i) and
22 3007.3(k) of the Regulations by allowing Monitor Carlson to
23 access the final examination on more than one occasion with
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1 respect to each of the approved offerings described in Paragraph
2 2, above.

3 9. Respondent CBI violated Section 3007.3(c) of the
4 Regulations by permitting Monitor Carlson to complete the final
5 examinations for more than fifteen (15) credit hours in one
6 twenty-four (24) hour period with respect to the course entitled
7 Real Estate Matters and described in Paragraph 2, above.

8 10. Respondent CBI violated Section 3007.3(e) of the
9 Regulations by using final examinations that either consisted
10 wholly of true/false questions or consisted of more than 10%
11 true/false questions with respect to each of the approved
12 offerings described in Paragraph 2, above.

13 11. Respondent CBI violated Section 3007.3(k) and
14 3007.3(l) of the Regulations by failing to provide any different
15 questions than those on the original final examination for a
16 retaken examination with respect to the each of the approved
17 offerings described in Paragraph 2, above.

18 12. Respondent CBI violated Section 3007.6 by making
19 false and misleading statements which inaccurately described the
20 final examinations as "quizzes." This occurred with respect to
21 each of the approved offerings described in Paragraph 2, above.

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1 13. The conduct described in Paragraphs 6 through 12,
2 above, constitutes a failure by CBI and Kalal to perform in
3 accordance with their representations and assurances that they
4 would comply with conditions to the approval of courses
5 identified in Paragraph 2, above, and, further, violates the
6 Regulations as alleged herein, and is grounds for the withdrawal
7 of approval of the continuing education course offerings
8 identified in Paragraph 2, above, under the provisions of
9 Sections 3006(d), 3007.3(n) and 3010 of the Regulations.

10 14. Based on the foregoing, the Commissioner has
11 determined that the courses identified in Paragraph 2, above, no
12 longer meet the prescribed statutory and regulatory standards
13 for approval, and therefore, approval of said courses should be
14 and hereby is withdrawn pursuant to the provisions of Section
15 3010 of the Regulations.

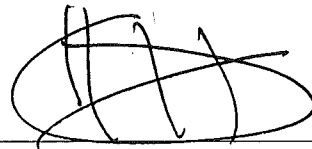
16 15. The withdrawal of approval of all the course
17 offerings identified in Paragraph 2, above, will be effective
18 thirty (30) days after the notice of withdrawal is received by
19 the sponsor unless the sponsor earlier files a written request
20 for hearing on the withdrawal action. If the request for hearing
21 is received by the Commissioner before 30 days after the date of
22 receipt of notice of withdrawal by the sponsor, the withdrawal
23 of approval shall not be effective unless and until ordered by
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1 the Commissioner pursuant to findings and conclusions reached
2 after hearing pursuant to Chapter 5 (commencing with Section
3 11500) of Part 1 of Division 3 of Title 2 of the Government
4 Code. The hearing shall be commenced within 30 days after
5 receipt of the request for hearing unless continued to a later
6 day by order of the Commissioner or by agreement of the parties.

7 JUN 16 2014

8 DATED: _____

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10 REAL ESTATE COMMISSIONER

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13 **By: JEFFREY MASON**
14 **Chief Deputy Commissioner**

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20 cc: California Brokers Institute
21 Donald Anthony Kalal
22 21133 Victory Blvd., #216
23 Canoga Park, CA 91303
24 Shelly Wilson
Sacto, FLAG
Sacto, Education