

**DEPARTMENT OF REAL ESTATE
5 YEAR STRATEGIC PLAN
2010-2015**



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A. DEPARTMENT DESCRIPTION

The core functions of the Department of Real Estate are to administer license examinations, issue real estate licenses, regulate real estate licensees, and qualify subdivision offerings.

The Department is a Special Fund agency that derives all of its revenues from examination, license and subdivision fees. It has limited authority to fine and, as a result, regulatory related fines compose less than one percent of its budget. Fines collected by the Department are paid into the Recovery Account to help compensate victims of real estate fraud.

The Department of Real Estate maintains five offices: Sacramento, Oakland, Fresno, Los Angeles, and San Diego, and, as of June 30, 2010, has 341 authorized positions. Currently, there are approximately 479,000 real estate licensees in California.

The Real Estate Commissioner is the chief executive officer of the Department of Real Estate. It is the Commissioner's responsibility to determine administrative policy and enforce the provisions of the Real Estate Law for the protection of the public. The Commissioner is appointed by the Governor and reports directly to the Secretary of the Business, Transportation and Housing Agency.

The Department of Real Estate is divided into various divisions that are managed by program chiefs (Assistant Commissioners), who report directly to the Commissioner and the Chief Deputy Commissioner. These divisions are as follows: Licensing, Enforcement, Legal, Audits, Subdivisions, Legislation, Public Information and Mortgage Lending, and Administrative Services, which consists of Information Technology Systems, Fiscal, and Human Resources.

B. DEPARTMENT ORGANIZATION

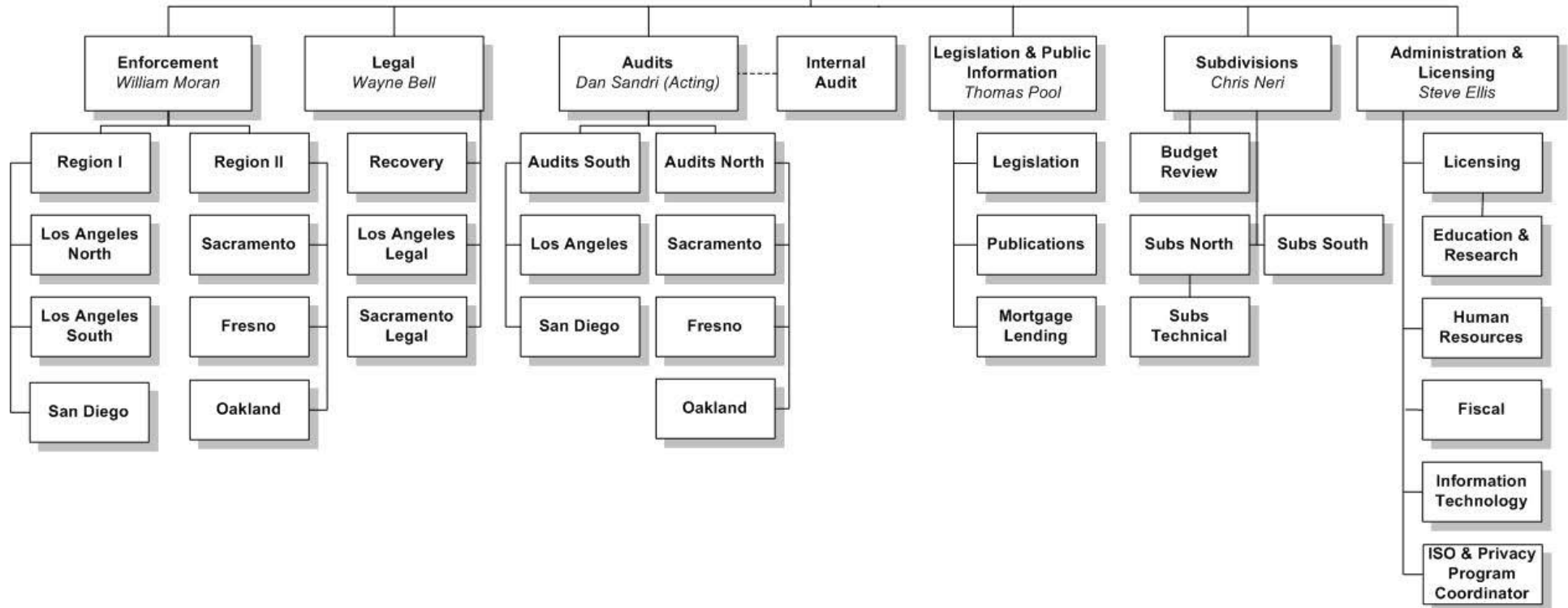
Following is a representation of the organizational structure of the Department of Real Estate.



Department of Real Estate

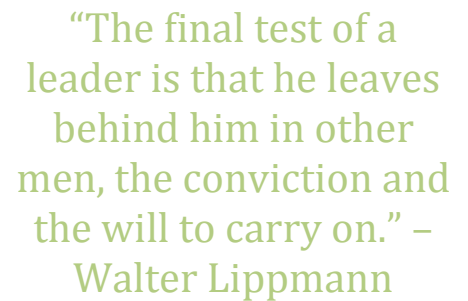
Jeff Davi
Commissioner

Barbara Bigby
Chief Deputy Commissioner



C. EXECUTIVE SUMMARY

The Department of Real Estate plays a critical and important role in safeguarding and promoting the public interests in real estate matters. This five-year Strategic Plan is the culmination of the collective efforts of its employees, managers and supervisors, and executive staff resulting in the redefinition of the Department as a modern regulatory entity. Extensive surveys were conducted to help identify the challenges of today, such as addressing the aftermath of a global real estate meltdown, and the needs of the future, such as ensuring the Department has a dynamic, educated and connected workforce. This Strategic Plan will guide the Department, its workforce, its programs and employees to make certain the Department maintains a workforce equal to the challenges created by a fluid and ever changing market place while ensuring that the Department's mission is carried out to the fullest. These endeavors will result in consumers receiving the protections and service they expect and deserve from a premier regulatory agency. This plan, more than any that came before it, is an important roadmap for the Department as the transition of its management and other key positions will dominate the span of time addressed by this effort. This Strategic Plan will serve the Department as a beacon into the future.



“The final test of a leader is that he leaves behind him in other men, the conviction and the will to carry on.” – Walter Lippmann

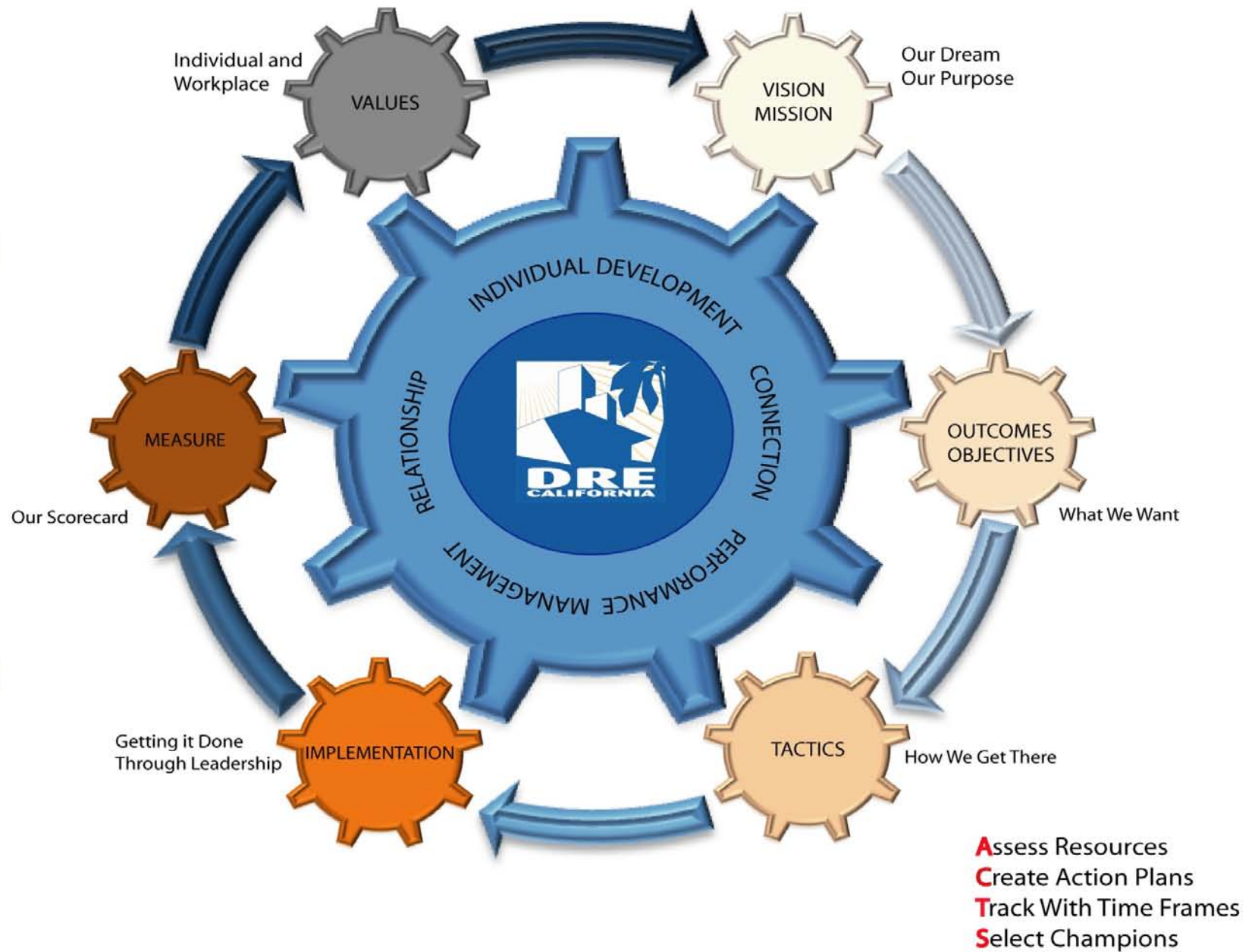
D. THE CONCEPT

This 5-year Strategic Plan takes a direction that is entirely new to the Department of Real Estate. Unlike previous plans that were heavily weighted in tasks, this Plan is weighted in objectives that include an engaged and connected workforce. It was the collective opinion of the 42 Managers that were involved in the design of this Plan and the responses from the workforce (through surveys) that in order to meet the growing needs of the citizens of California, the real estate industry, and government, the Department must direct its focus internally and branch out beyond typical government models to become much more driven by consumer protection and customer service.

We began this process with the complete redrafting of our Vision and Mission along with the adoption of core values that came from internal feedback from the employees who responded to our surveys (over 2/3rds of the workforce). We then took the new vision, mission and workplace values and established our outcome goals and objectives. The objectives will be implemented through tactics, and we will measure our success along the way and re-evaluate as we progress. As demonstrated in the graphic on the next page, you can see how each step relies on the previous step in order for the process to be continual. This process is dynamic and not static. We plan to evaluate and improve as we progress and the concept is one of perpetual motion and action.

The Department views this effort as proactive in preparation for significant changes as the workforce is refreshed and comes of age technologically and sociologically.

Strategic Planning 2010



E. THE METHODOLOGY

A professional consultant was engaged to facilitate discussions, provide leadership coaching and assist with the creation of a process that would lead to this Strategic Plan. It was the intention of the Real Estate Commissioner to have an all-inclusive approach in creating this Strategic Plan and the process reached throughout the Department to develop an understanding of the ideas from all levels within the organization for opportunities to include in a new plan. Through anonymous online surveys, extensive input was gathered from employees. Over the course of eight months, management assessed and explored the needs of the organization. Interviews also led to a series of performance coaching sessions and group management meetings for the distillation and creation of workplace values and, ultimately, the content for this Strategic Plan.

In the process of reaching the final outcomes and objectives of this Strategic Plan, the Department utilized a “balanced scorecard” framework as its methodology. The end result of such a disciplined framework is the visible connection between the projects and programs people are working on, the measurements being used to track success, the strategic objectives the Department is trying to accomplish and the mission, vision and strategy of the Department of Real Estate..

Creating this “balanced scorecard” is a multi-step process:

Step 1: Assessment

- Development Plan, Strategic Elements & Change Management

Step 2: Strategy

- Customer Value, Strategic Themes & Results

Step 3: Objectives

- Strategy Action Components

Step 4: Strategy Map

- Cause-Effect Links

Step 5: Performance Measures

- Performance Measures & Targets

Step 6: Initiatives

- Strategic Projects

Step 7: Automation

- Software, Performance Reporting and Knowledge Sharing

Step 8: Cascade

- Alignment through Unit & Individual Scorecards

Step 9: Evaluation

- Strategy Results and Revised Strategies

The balanced scorecard is a strategic planning and management system that helps everyone in the Department understand and work towards a shared vision. The components of the management system start at high “strategic altitude,” Mission, Vision, and other planning elements are translated into desired Strategic Results. The Department’s strategic themes are selected to focus efforts on the strategies that matter most to success. Strategic Objectives are used to decompose strategy into actionable components that can be monitored using Performance Measures. Measures allow the organization to track results against targets, and to celebrate success and identify potential problems early enough to fix them. Strategic Initiatives translate strategy into a set of high-priority projects that need to be implemented to ensure the success of the strategy. A sample of the logic of balanced scorecard strategic planning is illustrated below:



F. MEASURING SUCCESS

Each Division Chief will prepare annual action plans that will further detail the projects, tasks and assignments that will be necessary to achieve the desired outcomes. These plans will be completed by May 30 of each year covered by this Plan for review and approval by the Commissioner.

Approved plans will begin on July 1 of each year and progress will be reported through the Division Chiefs to the Department's Executive Management on a quarterly basis. Achievements will be measured against the plan scorecard.

G. DRE Strategic Planning Management Leadership Team - 2010

Commissioner Jeff Davi
Barbara Bigby
Wayne Bell
Bill Moran
Dan Sandi
Steve Ellis
Tom Pool
Chris Neri
Joe Carrillo
Cheryl Weitman
Bill Koenig
John Van Driel
Denise Martinez
Karen Brodsky

Larry Cannon
Shelly Harkins
Tom Cameron
Wes Jigour
Joanne Sanchez
Sandra Knau
Sylvia Yrigollen
Tricia Sommers
Dolores Weeks
Phil Ihde
Maria Suarez
Robin Trujillo
Angele Chemsian
Darlene Averetta

Jennifer Lin
Ed Haberer
Luke Martin
Robert Cummings
Joseph Aiu
Danio Fajardo
Lupe Felix
Mike Rivera
Robert Forman
Dionne Faulk
Dorcas Cheng
Eric Goff
Neal Shigimitsu
Robert Gilmore



H. STRATEGIC GOALS

Measure: 20% Annual increase in employee confidence and experience.



Tactics:

- Mentorship
- Shadow Training
- Develop Critical Thinking Skills
- Develop Time Management Skills
- Assign Lead Staff on Complex Cases
- Training for New Laws
- Collect Feedback
- Staff Lead Training and Outside Training
- Leadership Development
- Programs Expanding Checklist
- Cross Training
- Resource Materials
- Upward Mobility Opportunities
- Update Forms
- Goals for Average Hours

Measure: Increase personal interactions by 100 events per year; management visits to district offices; 50% increase on survey results.



Tactics:

- More Employee Input
- Task Forces
- Teambuilding Exercises
- Statewide and Inter-Unit Meetings
- Ask for Feedback
- Don't Filter Suggestions
- Report Ideas
- Periodic District Office Meetings
- Periodic Surveys
- Monthly Activity Reports
- Better Dissemination of Policy
- Clarify Expectations
- Award System
- Collaboration
- Regular Visits by Management
- "Bullpen" Sessions
- Increase Administration Interaction
- Inclusion of Deputies
- Vertical and Lateral Communication

Measure: Deliver 80% of DRE outreach efforts to address highest public risk; Expand Financial Literacy Program by 10%; Triage complaints, prioritizing resource on public impact.



Tactics:

- Develop and Maintain Talking Points
- Financial Literacy
- Consumer Alerts
- Develop Department Brochure
- Surveys
- Reporting
- Automation
- Change Law Regarding Access to Documents
- Improved/Expanded Regulations
- Relevant Policies
- Triage Cases
- New Legislation
- Disgorgement
- Assess Public Risk
- Redact and Secure Confidential Information

Strategic Goals (Cont'd)

4. Alignment, Investment and Deployment of Innovative Systems and Technology

Measure: Deliver 30% annual increase in technology improvements; Number of enhancements and/or new systems deployed with 80% alignment to business needs; Number of new enhancements.

Tactics:
Internal Blog
Webinars
RSS Feeds
Case Triage
Training Videos
Revamp Computer System
Improve Case Management
Tools, i.e., Lexus-Nexus
Web Conferencing
Automation of Presentations
Establish Tech Systems and Service Communication
Multi-year Plan for Migration
One-Stop Services for Customers and Employees
Complete Comprehensive Plans

5. Superior Service

Measure: Achieve annual increase of 27% in overall customer satisfaction.

Tactics:
Streamlined Processing
Statewide Call Center
Ongoing Customer Service Surveys
Quick Referrals
Standard/Correct Response to Public
Reporting Results

I. VISION, MISSION AND WORKPLACE VALUES

VISION:

The Champion for Public Protection in Real Estate

MISSION:

To safeguard and promote the public interests in REAL ESTATE MATTERS through licensure, regulation, education, and enforcement

WORKPLACE VALUES:

Excellence – Professionalism – Knowledge – Communication – Caring

From the principles outlined above, the Department will implement this strategic plan to the best of its ability while striving for alignment as individuals, as well as an organization. The demonstrable behaviors for the values as agreed upon by the Management team include:

Excellence

Delivering Superior Results, Work and Services	Providing Outstanding Public Protection	Pursuing Individual Knowledge and Development
Becoming the Model of Exceptional Government	Leading Law Enforcement and Other Regulators	Achieving Continuous Improvement

Professionalism

Delivering Quality Work Products	Being Accountable	Taking Responsibility
Expressing Responsiveness	Proving Trustworthiness	Showing Dependability
Exemplifying Respect	Illustrating Courtesy	Being Conscientious
Exhibiting Competence	Demonstrating Integrity	Taking Pride in Outcomes

Knowledge

Expanding Employee Training	Encouraging Personal Growth	Incorporating Cross Training
Mentoring Staff	Helping Staff Achieve Goals	Providing Feedback and Support
Building Employee Confidence	Collaborating with Colleagues	Supplying Necessary Tools

Communication

Interacting Up, Down and Sideways within DRE	Advancing Respectful Connections and Exchanges	Asking for Feedback
Delivering Transparency	Incorporating Openness, Honesty, Frankness, Clarity, Frequency, Accuracy, Timeliness and Brevity	Promoting Teamwork
Embracing Creativity	Consumer Outreach and Education	Being Responsive to Stakeholders and Advocating Public Interests

Caring

Promoting Workplace Harmony	Delivering Consideration	Showing Appreciation
Acknowledging Employee Contributions	Being Truthful and Forthcoming	Keeping One's Word
Standing up for the Public and Each Other	Listening to All Points of View	Taking an Extra Step to Help
Affording Reasonable Flexibility	Admonishing Gossip	Enhancing Cooperation

ENVIRONMENTAL SCAN

STRENGTHS

- A strong Mission Statement
- A dedicated, passionate staff
- Possess cutting edge knowledge, expertise and curiosity
- A Supportive management
- Well-respected by stakeholders
- A healthy work environment
- Newly established culture
- Agile, flexible
- Do our work well
- Open to new ideas; seeking knowledge
- A learning organization
- A teaching organization
- Integration of functions, internally and externally
- Integration of services
- Respect from community partners

OPPORTUNITIES

- To leverage technology and web-based opportunities
- To offer expanded employee input
- To become more active in the community
- To increase readiness in response to changes in the marketplace
- To increase the use of our experts to help regulatory agencies and law enforcement
- To collaborate with other agencies
- To study and enhance service delivery models
- To serve all consumers and cultures
- To support financial literacy
- To increase staff recognition
- To increase teamwork, training and transparency.

LIMITATIONS

- Geographic challenges; distance
- Budget and resource limits
- Low salary scales and compensation
- Leveraging staff resources
- Measuring outcomes effectively across programs
- Technology needs
- Lack of enforcement strength
- Unlicensed activities harming industry and consumers
- Consumer & public accessibility

CHALLENGES

- Analyzing and prioritizing needs and resources
- The economy and its effect on staff morale
- Uncertainty; conflicting recovery forecasts
- An aging leadership
- Undervalued quality
- Deep and wide staff involvement throughout organization

K. PROGRAM EXECUTIVE SUMMARIES AND ACTION PLAN SUMMARIES

INTRODUCTION

This strategic plan represents a journey of the Department's commitment to improvement. The guide on this journey is this overarching strategic plan, with achievement of success dependent upon the following series of division action plans, which will be further supported by follow-on annual plans.

Incorporating quantitative and qualitative techniques interdependently was a part of our successful model for strategic planning. Quantitative and qualitative paradigms make different contributions to our strategic planning efforts. We are reminded that it is simply not enough to measure how much we accomplish without factoring in how well we did in attaining each objective in order to strike an appropriate balance between the quantitative and the qualitative results.

Strategy deployment, or implementation, is the translation of our strategic plan into action to achieve the desired results. The division plans in this document serve as a conduit to achieving the strategic planning objective which will each year be further detailed by annual plans. The strategy deployment process is led by our senior leadership, who will direct the annual planning process to expand and detail the following division plans pinpointing specific tasks and responsibilities, pace of effort required to get the work done, and what human-resources support would be appropriate to achieve the objective. There should be an expectation that some adjusting may be needed to ensure that the objective is achievable with the resources committed. There will also be a regular series of strategy deployment meetings. These strategy deployment meetings are intended to have focus on achieving the objective or goal and evaluation of the quality of those results. Meeting time will be spent reviewing progress against the overall objective plans contained in this document. The execution of the strategic plan occurs at all levels in the Department.

The following objective action plans address the staggering array of challenges brought about by a changing culture and environment. It is this high level tactical approach that will equip the Department to perform at its peak of efficiency while enhancing consumer protections, promoting employee growth, and satisfying stakeholders' needs for the forthcoming five years. These action plans identify and integrate every operation within the Department and surface the events to be further developed through annual plans that will guide our future.

Desired Outcome #1: Knowledgeable and Effective Workforce

Objective 1: Training for new laws/industry changes; Increase preparedness; Resource Materials

Tactic: Expand DRE certifications of program and staff statewide and nationally.

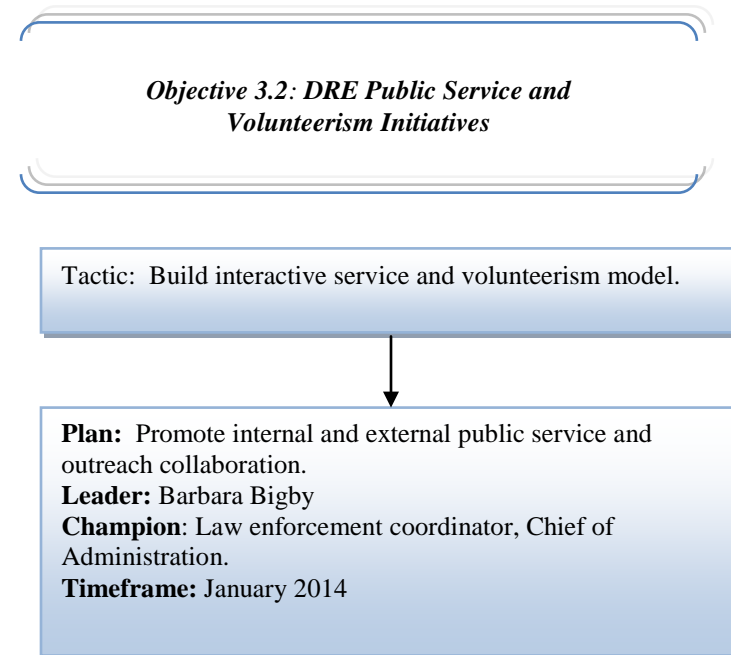
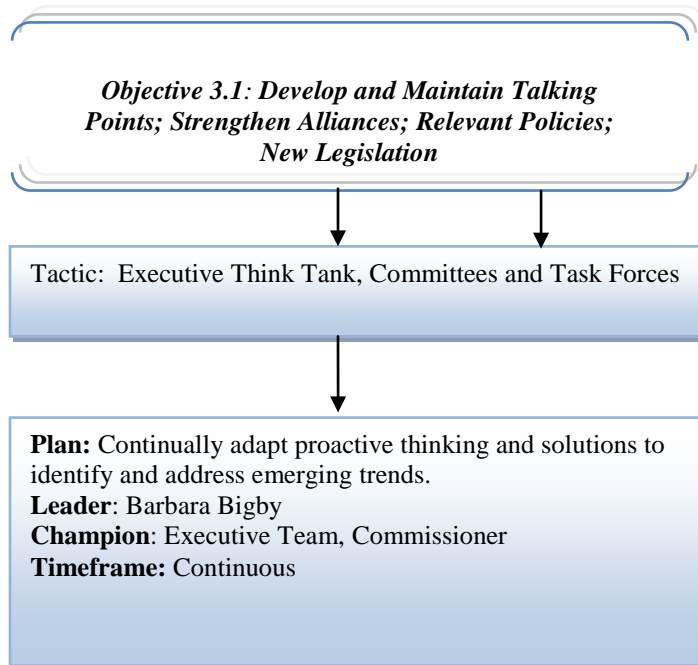
Action: Conduct comprehensive review and plan involvement with national programs
Leader: Barbara Bigby
Champion: Shelly Harkins, Training Officer, Enforcement & Audits
Timeframe: 2011/2012, annually thereafter.

Objective 2: Mentorship Program, Train Excellence

Tactic: Establish and develop a dedicated DRE Training Officer Position

Action: The dedicated Training Officer will support all offices and programs through section assigned training coordinators. The Training Officer will assure that department-wide training is continually identified, monitored, offered and enhanced.
Leader: Barbara Bigby
Champion: Barbara Bigby, Training Officer
Timeframe: Finalize hiring of Training Officer by 12/2010.

Desired Outcome #3: Outstanding Public Protection and Outreach



LEGISLATION, PUBLIC AFFAIRS AND MORTGAGE LENDING ACTIVITIES UNIT

The Legislation, Public Information and Mortgage Lending Activities Unit (Unit) plays a critical and important role in safeguarding and promoting the public interests in real estate matters. As the principal legislative advocate for the Department of Real Estate (Department), our Unit provides technical assistance to legislative staff on real estate related bills and is responsible for providing testimony at key legislative hearings. Our Unit acts as first responder to all media inquiries and is responsible for the preparation and dissemination of press releases. In addition, we produce and publish the quarterly “Real Estate Bulletin,” the Real Estate Law Book, the Real Estate Reference book and other consumer publications, all of which ensures the public and industry have access to current information related to real estate matters, including all of the disciplinary actions taken by the Department and significant changes to the law. We also make certain that Departmental records are managed and maintained pursuant to state guidelines, prepare departmental forms, and oversee the Department’s website policies and content. Finally, our Unit plays an intricate role in enforcing the mortgage lending laws of this State, providing both industry and consumers a place to turn to for critical and current information that has been in constant flux in the past few years. Given the our Unit touches all facets, functions and program areas of the Department, the employees of the Legislation, Public Information, and Mortgage Lending Activities Unit played a significant role in the creation of the Department’s Strategic Plan.



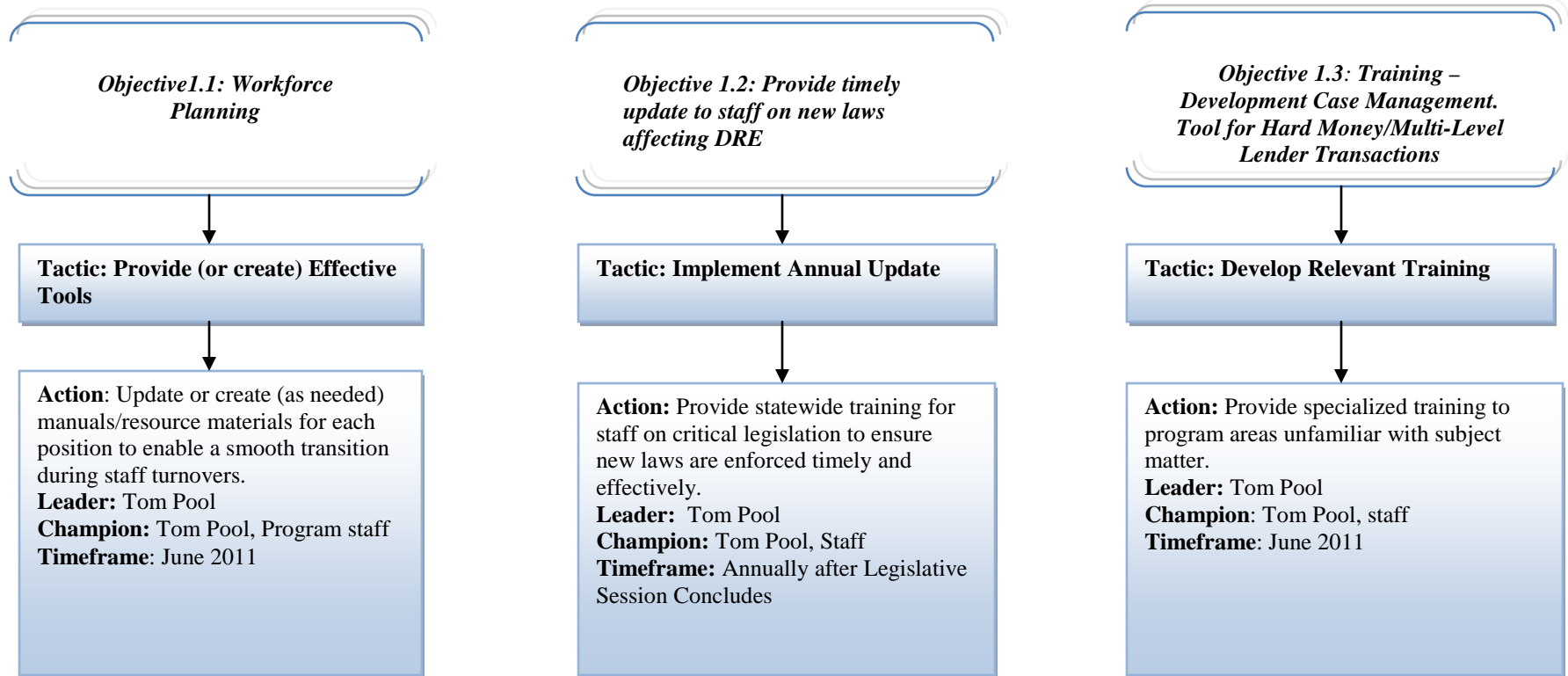
Tom Pool, Assistant Commissioner

While responsible for a wide variety of critical functions, the Legislation, Mortgage Lending Activities and Public Information Unit have very few employees, with most performing key core functions. Often a single employee is responsible for overseeing and executing critical duties. These key employees will be identified and then will assist in the creation and updating job specific manuals – allowing for smoother transitions of personnel in critical roles and ensuring consumer protections are not diminished during times of transition.

In addition, the employees of this Unit have highly specialized knowledge in complex and often arcane subject matter. This is especially true in the area of mortgage lending activities. It is important that such knowledge is imparted to other program areas. By doing so, it will result in more effective prosecutions, investigations and better consumer protections. We will create specialized training with an emphasis on the creation of working papers and checklists that allow various programs to perform more efficiently.

Finally, to ensure the timely dissemination of information, every Fall at the conclusion of the legislative session, our Unit will provide statewide training for staff on critical legislation to ensure new laws are enforced timely and effectively. Not only will this effort result in a more effective workforce, it will also enhance consumer protections by the timely and efficient enforcement of new laws.

Desired Outcome #1: Knowledgeable and Effective Workforce



Desired Outcome #3 – Outstanding Public Protection

*Objective 3.1: Current and Relevant
Consumer Information*

Tactic: Develop Relevant
Brochures/Materials/Website Updates

Action: Identify topics for
brochures/materials/website content
Leader: Tom Pool
Champion: Tom Pool, Rosa Arellano
Timeframe Quarterly

*Objective 3.2: Current and effective
protocols and procedures*

Tactic: Track and identify Federal changes to the
SAFE Act for possible implementation.

Action: Identify and track key legislation affecting
the SAFE Act and DRE's oversight
Leader: Tom Pool
Champion: Sylvia Yrigollen, Jeff Oboyski
Timeframe: Ongoing



Wayne Bell, Chief Counsel

EXECUTIVE SUMMARY LEGAL SECTION

The Legal Section provides a variety of legal and related services to the Department of Real Estate (DRE). First and foremost, we administratively prosecute all enforcement matters on behalf of the DRE. Along with Real Estate Law violations and questions, these cases involve issues arising under the Subdivided Lands Act. The administrative litigation includes disciplinary proceedings against real estate licensees, actions against those who are seeking licensure, and the preparation and issuance of Desist and Refrain Orders and Bar Orders against both licensees and non-licensees for violations of the law. We also provide general legal and policy counsel,

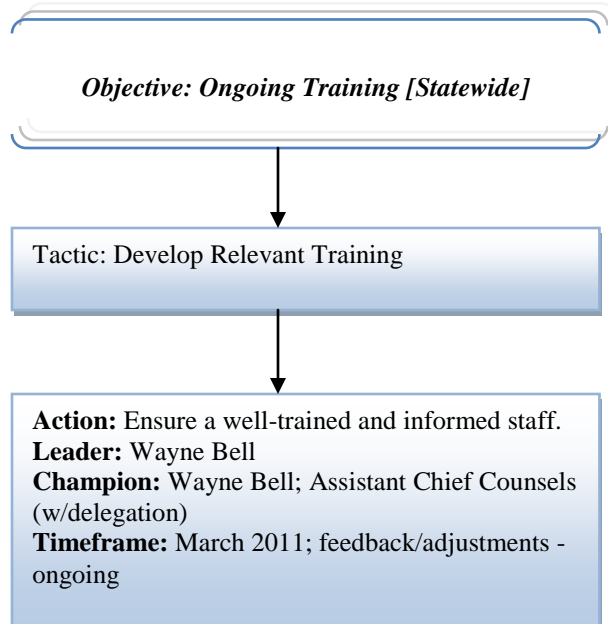
advice and guidance, and support the Real Estate Commissioner and the DRE management and staff. In addition to the above, we provide legal and policy assistance on legislative and regulatory matters (including the drafting of proposed legislation and regulations), advice and guidance on financial conflicts of interest and government ethics rules, personnel matters, various State and federal laws, and DRE policies, prepare, review and/or evaluate legal documents, and work with the California Department of Justice relative to the management of State and federal civil litigation affecting the DRE. Under the umbrella of, and working closely with, our section is the DRE's Recovery Fund. It is funded exclusively by fees and fines paid by real estate licensees, has been in existence since 1964, and it functions as a fund of last resort for victims of real estate fraud and conversion. Since its inception, the Fund has paid more than \$38 million to victims of such fraud and conversion.

Our Section, including the Recovery Fund, has performed the above responsibilities and duties effectively and well over the many years of its existence. Over the past two-plus years, our section has begun to evolve into a much more proactive and vigorous force and effective consumer advocate in the DRE's efforts to expose and combat real estate and mortgage fraud. To that end, we have been at the forefront of the provision, conducting and oversight of trainings of legal, enforcement, audits and mortgage lending activities section staff of the DRE, consumer education and outreach efforts, the re-engineering of the Desist and Refrain Orders to make them more comprehensible and usable by consumers, the media and criminal prosecutors, and the DRE's multi-faceted, collaborative, and inter-governmental efforts – including active involvement on external and internal task forces – to fight fraud in the real estate market.

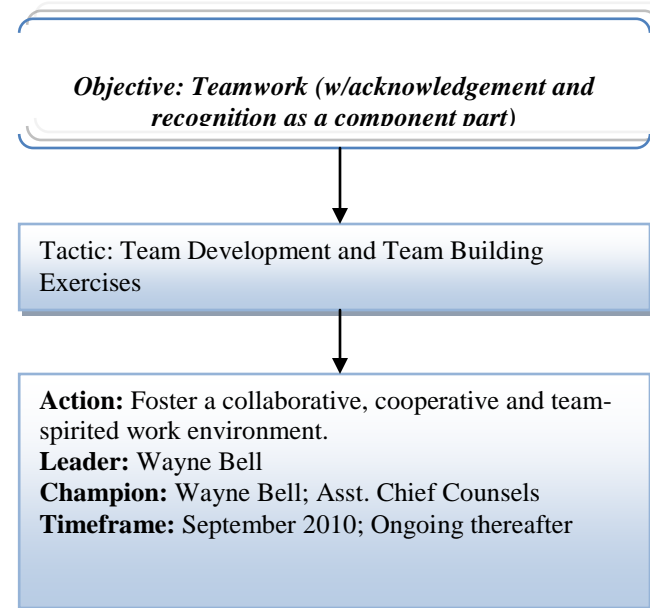
Our section's strategic plan was written with the idea that the evolution described above should and will continue over the next five years. The specific 2010/2011 plan is the end result of the collective efforts and input of the lawyers and support staff of the section. It is hoped and anticipated that our section will assist the DRE and its constituent departments in seeking to become the champion of public protection in real estate matters. In performing that role, we will continue to (1) create strategic alliances and work closely with public service and law enforcement partners to help ensure that the public is protected and fraud purveyors are properly punished, (b) identify and explore legislative and regulatory opportunities to strengthen the DRE's remedies and tools, and to enhance penalties for those who violate the laws enforced by the DRE, (c) perform more consumer education, outreach, and public advocacy, (d) apply triage concepts to our caseload to focus on cases that yield the highest return in anti-fraud efforts, (e) foster a collaborative, cooperative, and team-spirited work environment, and to (f) help educate, develop and train our lawyers and support staff, and the enforcement, audits, and mortgage lending activities staff so that effective consumer protection outcomes and results can be achieved by the DRE.

Legal Section Summary Plans

Desired Outcome #1 – Knowledgeable and Effective Workforce

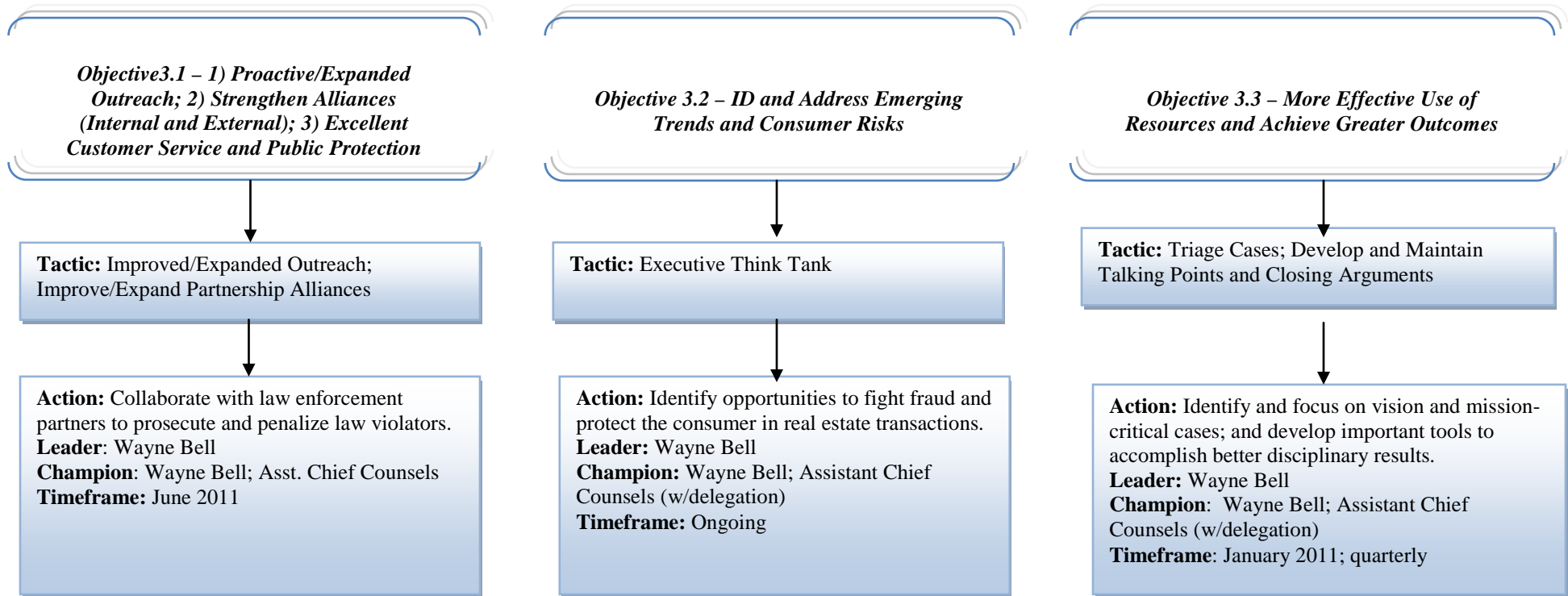


Desired Outcome #2 – Engaged & Connected Staff

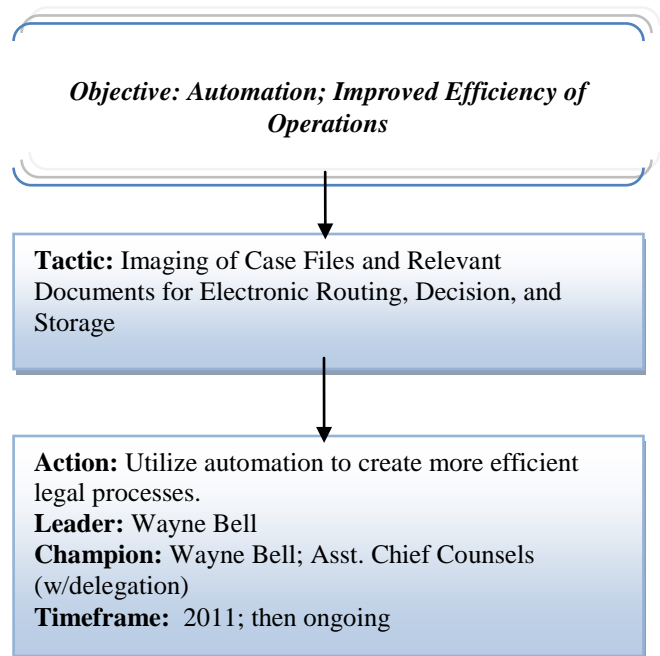


Legal Section Summary Plans

Desired Outcome #3 – Outstanding Public Protection & Outreach



Desired Outcome #4 – Alignment, Investment and Deployment of Innovative Systems and Technology



SUBDIVISION PROGRAM EXECUTIVE SUMMARY

The purchase of real estate is the largest single investment most Californians make during their lifetimes. The Subdivision Section ensures that subdividers comply with real estate and subdivided lands laws when offering new homes or lots for sale and deliver to buyers what was agreed to at the time of purchase. We accomplish this through a comprehensive application review and issuance of a public report which discloses material aspects of the offering.



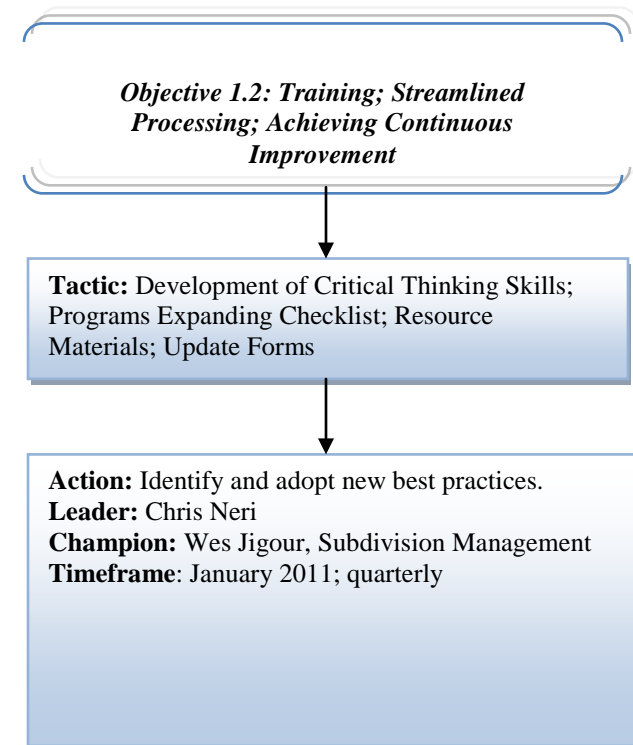
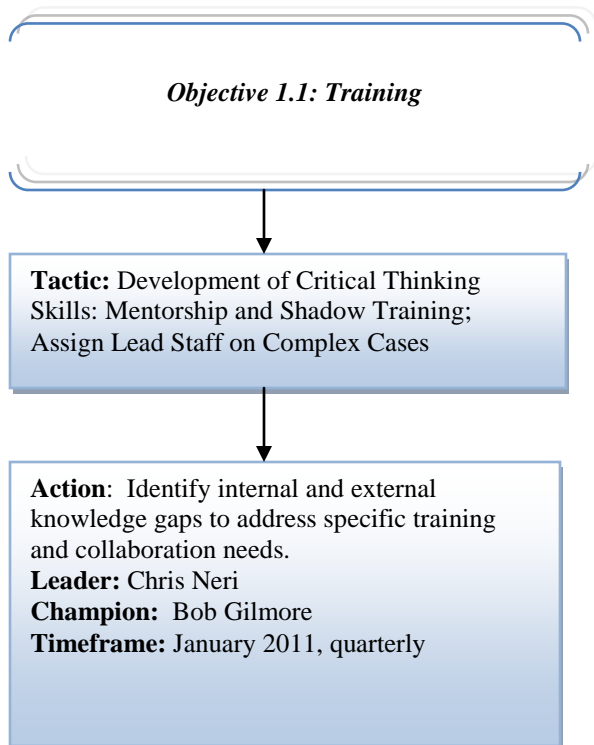
Chris Neri, Assistant Commissioner

This 5-year Strategic Plan is unlike any previously published. Not only does it contemplate a longer timeframe, but it places a premium on developing, connecting and empowering our most valuable asset: “Our Employees.” The Subdivision Section’s efforts moving forward are ambitious but fully achievable. We will spearhead a newly formed Housing Committee to enhance our core principles that promote public protection while supporting economic growth. We will utilize technology to enhance productivity and service to the public. We will partner with state and federal agencies to address issues of mutual concern aimed at improving consumer protection.

Further, we acknowledge the importance of enhancing efforts to educate consumers on the home-buying/selling process as well as to increase their awareness of inappropriate actions and real estate fraud. We will explore methods to increase exposure of critical information to consumers, including the distribution of electronic and print media, as well as the expansion of consumer educational materials posted on the DRE’s website. In short, we will transform the Subdivision program into a complete and contemporary advocate for housing interests in California.

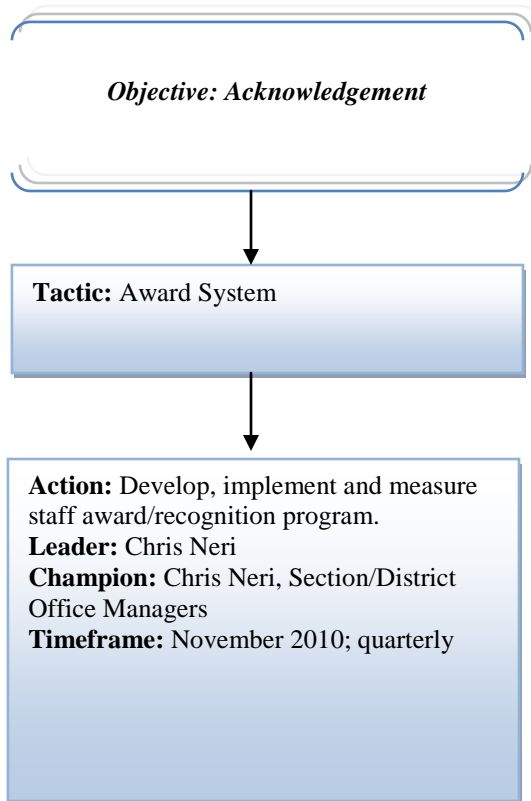
Subdivision Section Summary Plans

Desired Outcome #1 – Knowledgeable and Effective Workforce

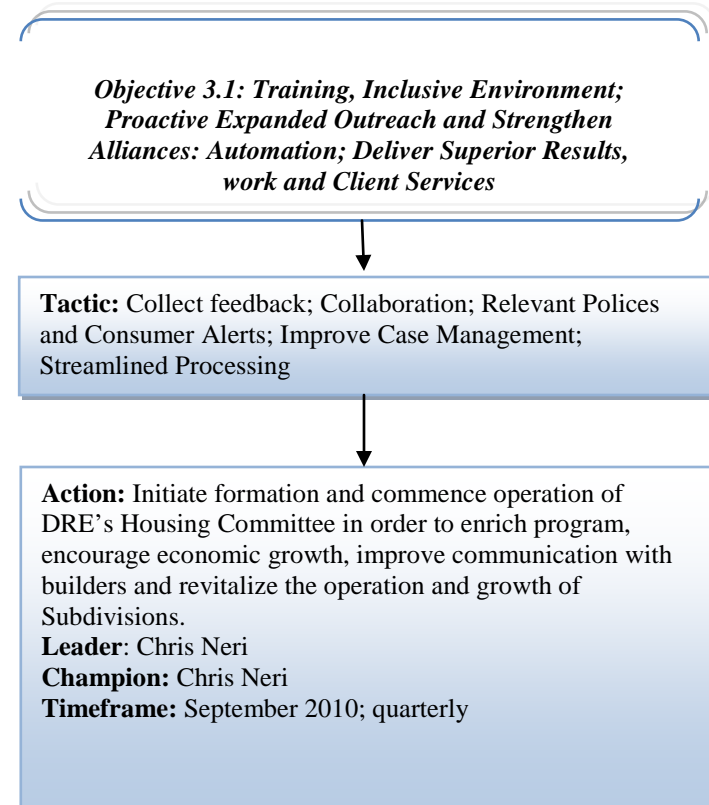


Subdivision Section Summary Plans

Desired Outcome #2 – Engaged and Connected Staff

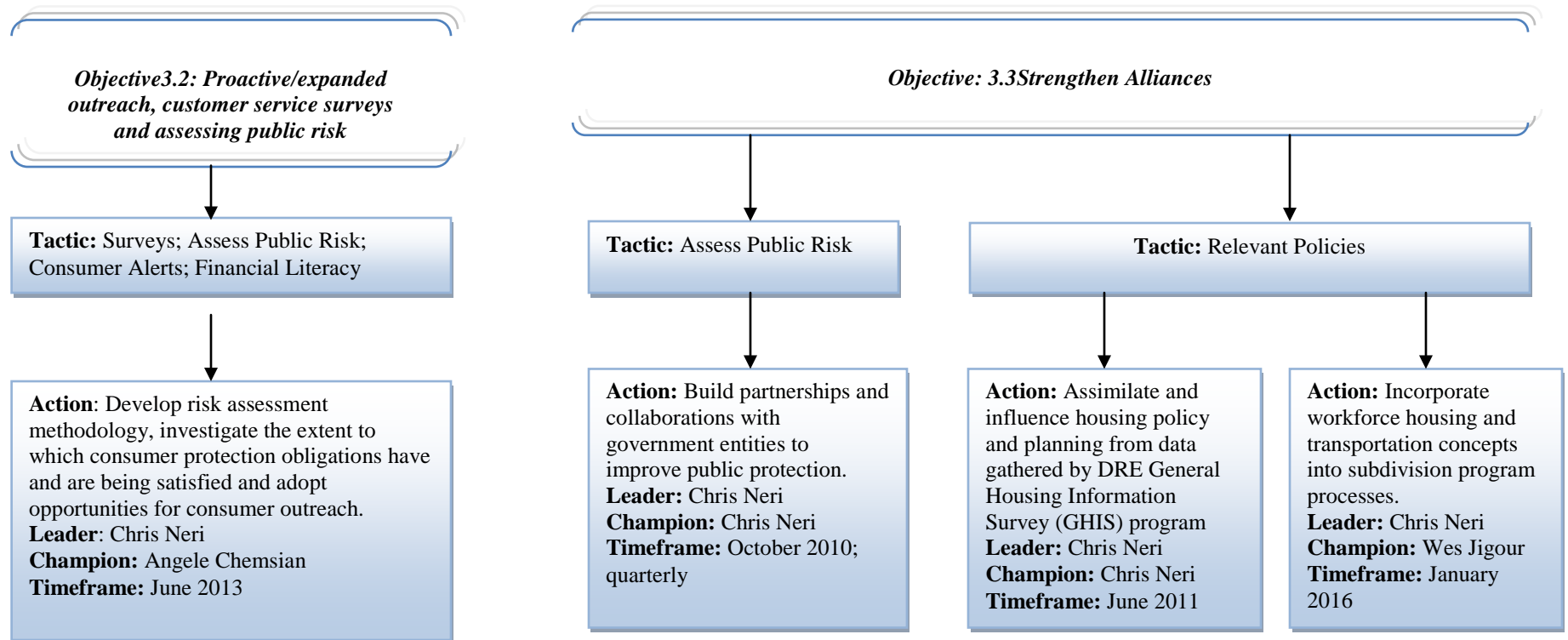


Desired Outcome #3 – Outstanding Public Protection and Outreach



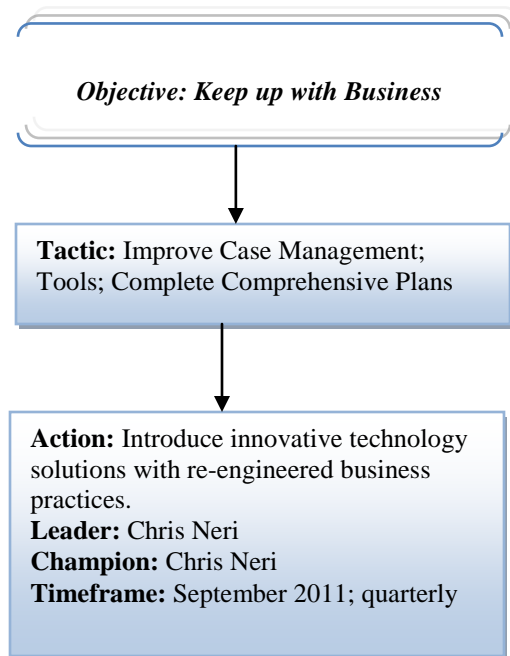
Subdivision Section Summary Plans

Desired Outcome #3 (Cont'd) – Outstanding Public Protection and Outreach

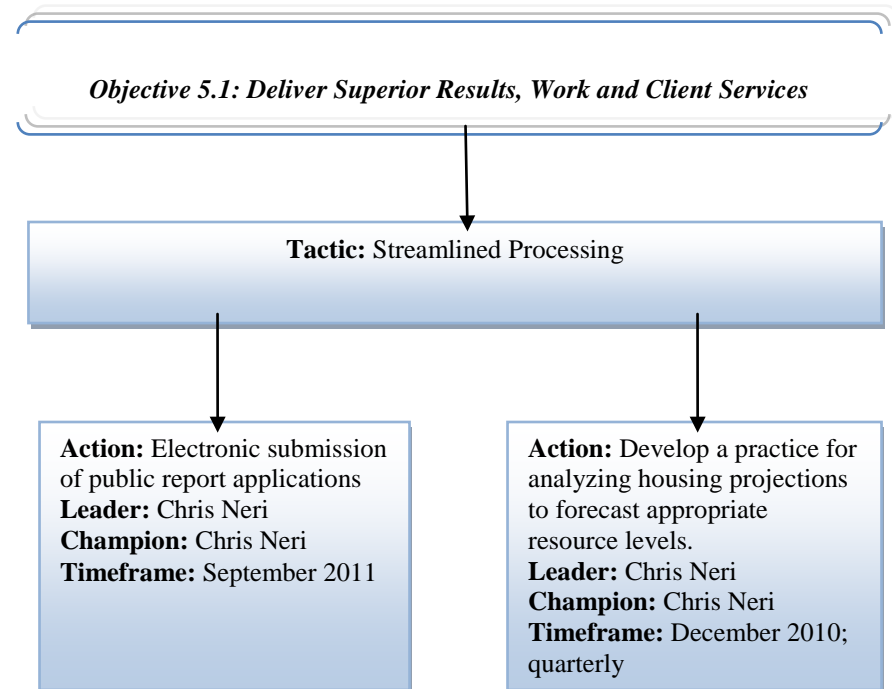


Subdivision Section Summary Plans

Desired Outcome #4 – The Alignment, Investment and Deployment of Innovative Systems and Technologies



Desired Outcome #5 –Superior Service



Subdivision Section Summary Plans

Desired Outcome #5 (cont'd) – Superior Service

Objective 5.2: Improved/Expanded Regulations and streamlined processing

Tactic: Improved/Expanded Regulations and Relevant Policies

Action: Focus on past and present regulations/methodologies to assess the degree of success in accomplishing our statutory intention and goals.
Leader: Chris Neri
Champion: Chris Neri/Robert Gilmore/Subdivision Management
Timeframe: September 2011

Objective 5.3: Training and Deliver Superior Results, Work and Client Services

Tactic: Development of Critical Thinking Skills and Streamlined Processing

Action: Determine best means to review Subdivision applications that assures compliance/consistency while balancing sound planning and economic growth.
Leader: Chris Neri
Champion: Robert Cummings/Chris Neri/Subdivision Management
Timeframe: November 2011; quarterly

Objective 5.4: Streamlined Processing and Become the Model of Excellence in Government

Tactic: Reporting Results

Action: Imaging Public Reports into searchable database on DRE website.
Leader: Chris Neri
Champion: Chris Neri; ITS Manager; Subdivision Managers
Timeframe: May 2014; Monthly



Bill Moran, Assistant Commissioner

ENFORCEMENT SECTION EXECUTIVE SUMMARY

The Enforcement Program strives to provide maximum protection for the public when conducting business with real estate licensees. We take positive steps to prevent abuses from taking place through outreach to consumers to keep them informed of current unlawful practices and work with the industry to ensure proper business procedures that comply with the Real Estate Law. We maximize consumer protection through the timely and competent investigation of complaints against real estate licensees, and we discipline

or eliminate those that would pose a risk to the public if allowed to continue operating.

In support of the mission to provide maximum public protection when receiving services from real estate licensees, and after soliciting and receiving valued input from all staff, a strategic plan has been developed setting forth a roadmap as to how the enforcement section will change and improve upon its operations in the upcoming five years. The plan emphasizes major improvements in the three areas of staff development, consumer outreach, and strengthening enforcement remedies available to deal with violators. The highlights of this plan follow in this executive summary.

Recognizing that the quality and effectiveness of the services provided by the enforcement section can only be as good as the employees who represent it, a high value will be placed on the continuous training and equipping of support staff, deputies and managers allowing them to grow and develop their expertise. An emphasis will be placed on fostering a collaborative, caring and team spirited work environment, one that rewards individual contributions, and encourages participation in important projects, task forces and policy committees. Through the opportunities for personal and professional growth that participation in these endeavors will deliver, the future leaders of the program will emerge providing for the seamless succession planning and continuity of the Enforcement Section's operations.

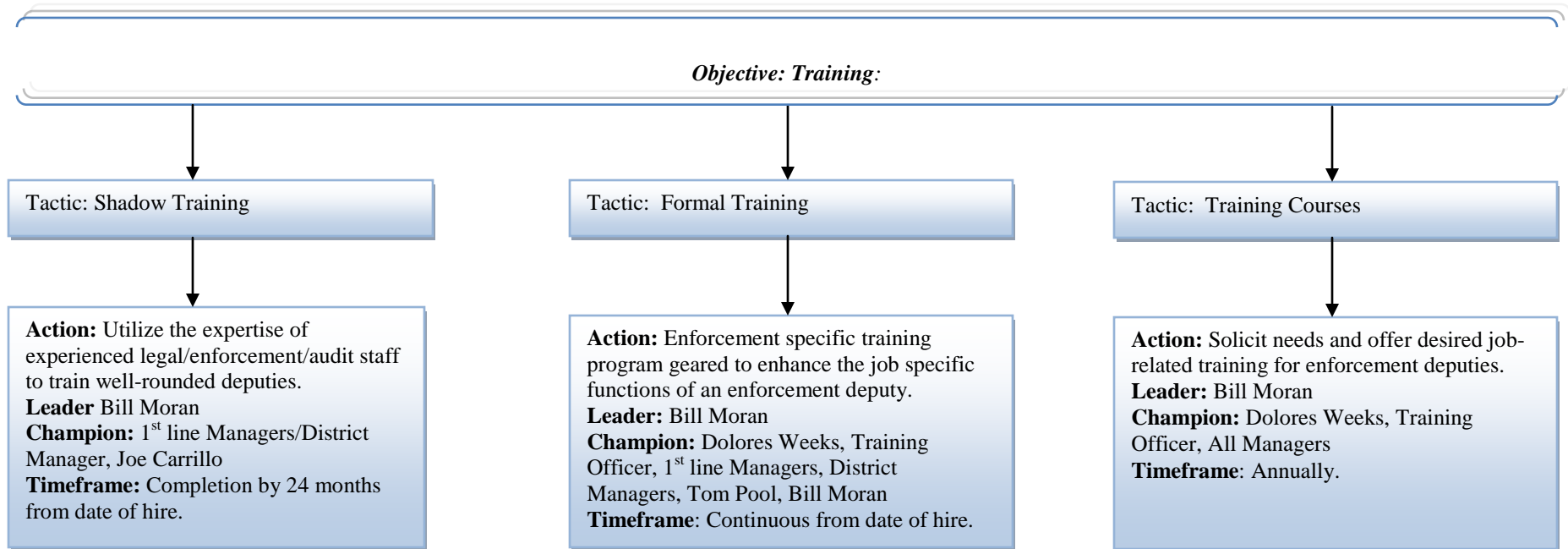
A major emphasis will be placed on improving the consumer protection services provided to the public and the industry over the next five years. To provide uniformity in the information provided to the public and industry, a statewide call center will be developed and staffed with deputies dedicated exclusively to handling phone inquiries, letters and preliminary case reviews. Efforts will be made to expand our outreach to the consuming public through radio, television and newspapers, and we will forge new partnerships with other consumer protection and law enforcement organizations. To increase our visibility and accessibility to the public and industry, we will explore opening new satellite offices in areas where growth and workload justify.

A third area that will be pursued in the upcoming five year period is to develop greater enforcement tools that will provide meaningful remedies to unlawful conduct. We will pursue the possibility of enacting new statutes to clarify a designated officer's responsibilities to maintain records when resigning from a corporation, and to require real estate brokers to quash subpoenas for production of records, or face license suspension if those records are not produced. Finally, we will pursue new authority to increase fines and penalties, both civil and criminal where justified, for those who violate the law and take advantage of the public.

Many thanks to all of our enforcement staff for their meaningful contributions to this plan, and we look forward to moving together to a future where the public receives maximum protection in their transactions with real estate licensees.

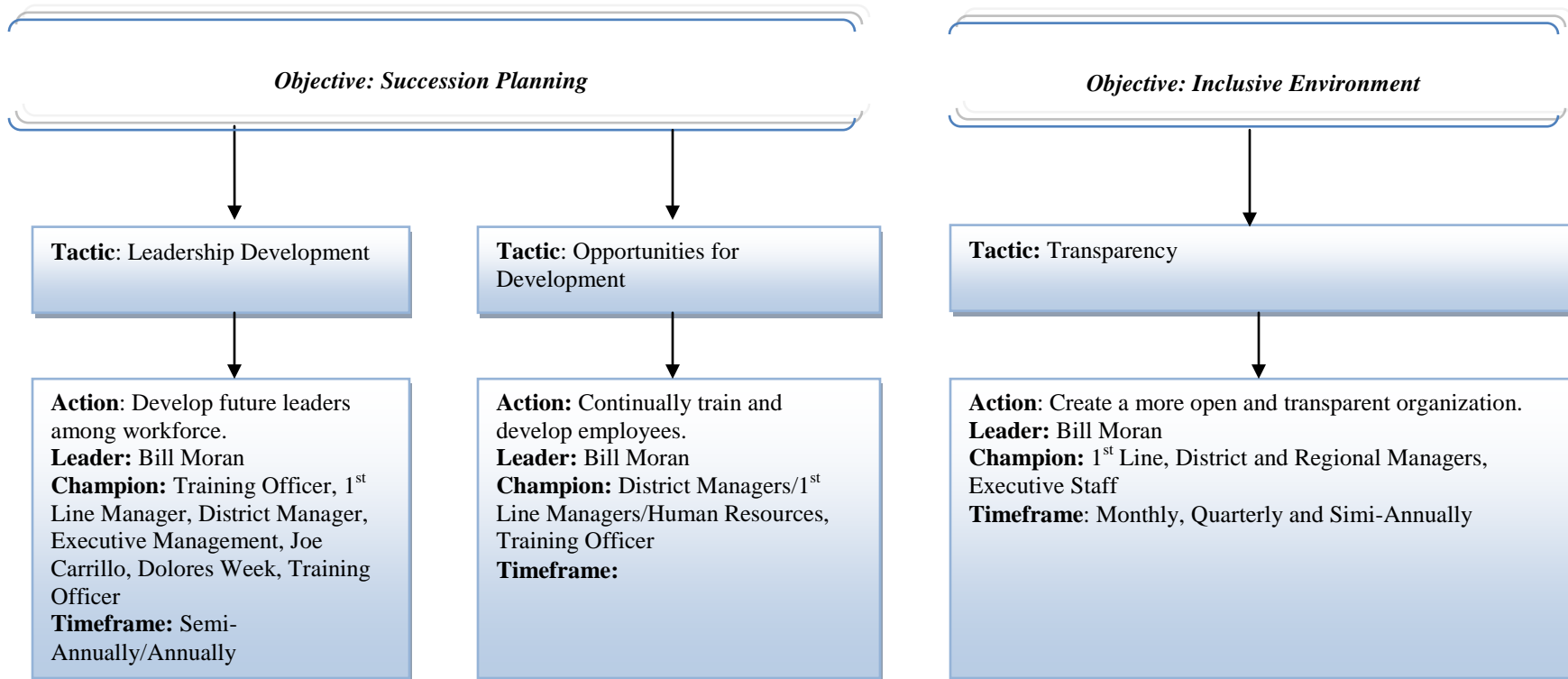
Enforcement Section Summary Plans

Desired Outcome #1: Knowledgeable and Effective Workforce

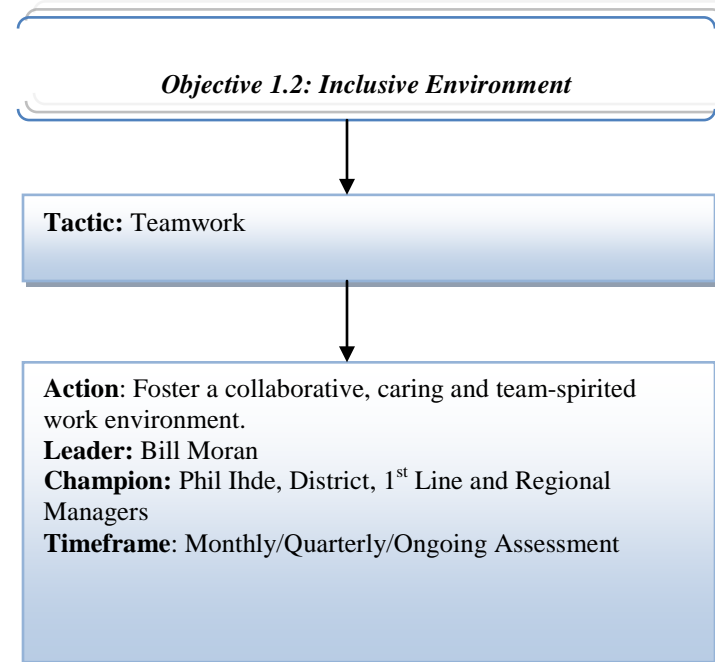
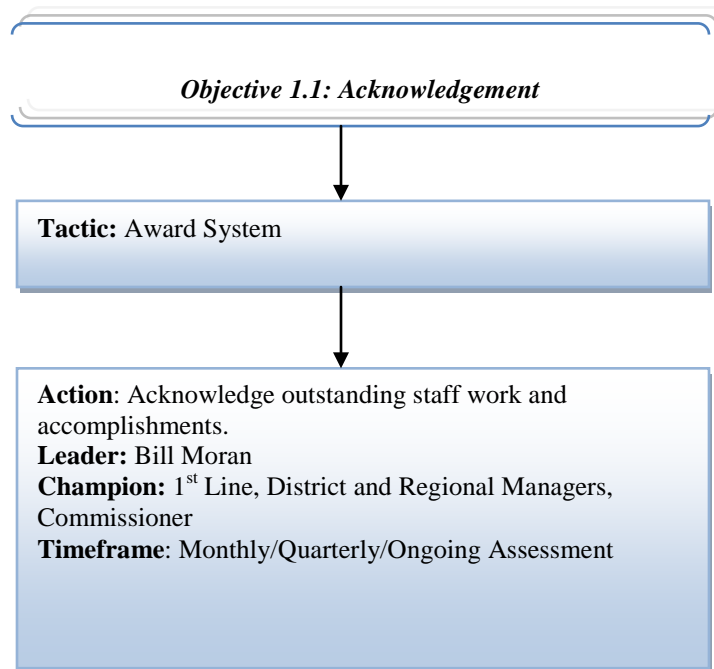


Enforcement Section Summary Plans

Desired Outcome #1: Knowledgeable and Effective Workforce

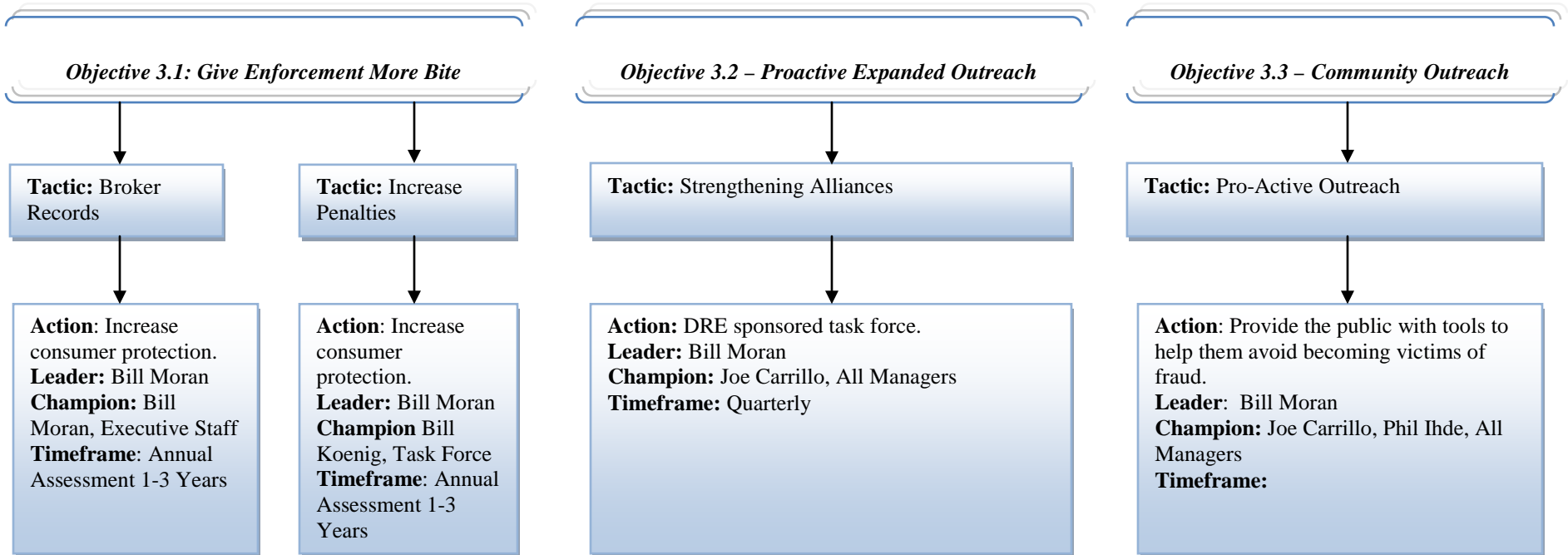


Desired Outcome #2 – Engaged and Connected Staff



Enforcement Section Summary Plans

Desired Outcome #3 – Outstanding Public Protection & Outreach



Desired Outcome #5 – Superior Service

Objective: Deliver Superior Results, Work and Client Services

Tactic: Statewide Call Center/LA

Action: Provide uniform and consistent public services with excellence.

Leader Bill Moran

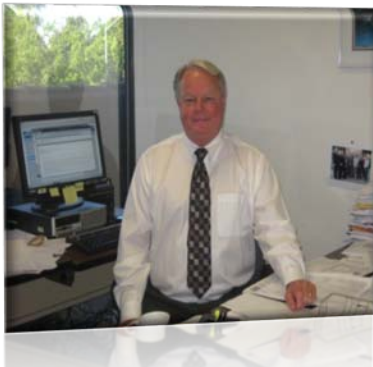
Champion: Bill Moran, Dolores Weeks, Training Officer, ITS Manager, Publications staff, Consumer Service Manager

Timeline: 3 to 5 years

LICENSING AND ADMINISTRATION EXECUTIVE SUMMARY

The Department of Real Estate's strategic plan has evolved into a plan that is based on the individual values of employees and the business values of the organization. Many hours were spent by a dedicated staff in brainstorming concepts, dissecting the meaning of words, and soul searching to establish DRE's future direction. In the end, public protection emerged as the central theme in the Department's mission and vision statements. As we position ourselves in the marketplace as a champion for public protection, the Licensing and Administration Sections must continue to play a vital role in insuring that licensees are properly qualified, that superior technology solutions are made available, that our staff is knowledgeable and that the Department remains fiscally strong.

Each section within the Department shares in the responsibility to ensure that our mission to protect the public and its vision to be the champion for public protection in real estate transactions become reality. While it might be easier to readily see how the Enforcement, Audit and Legal sections protect the public through the investigation of public complaints, the audit of trust account records and the prosecution of licensees for violations of the real estate law, the Licensing and Administration sections also play critical roles, both directly and indirectly, in the services they provide to the industry and in support of the staff in other program areas.



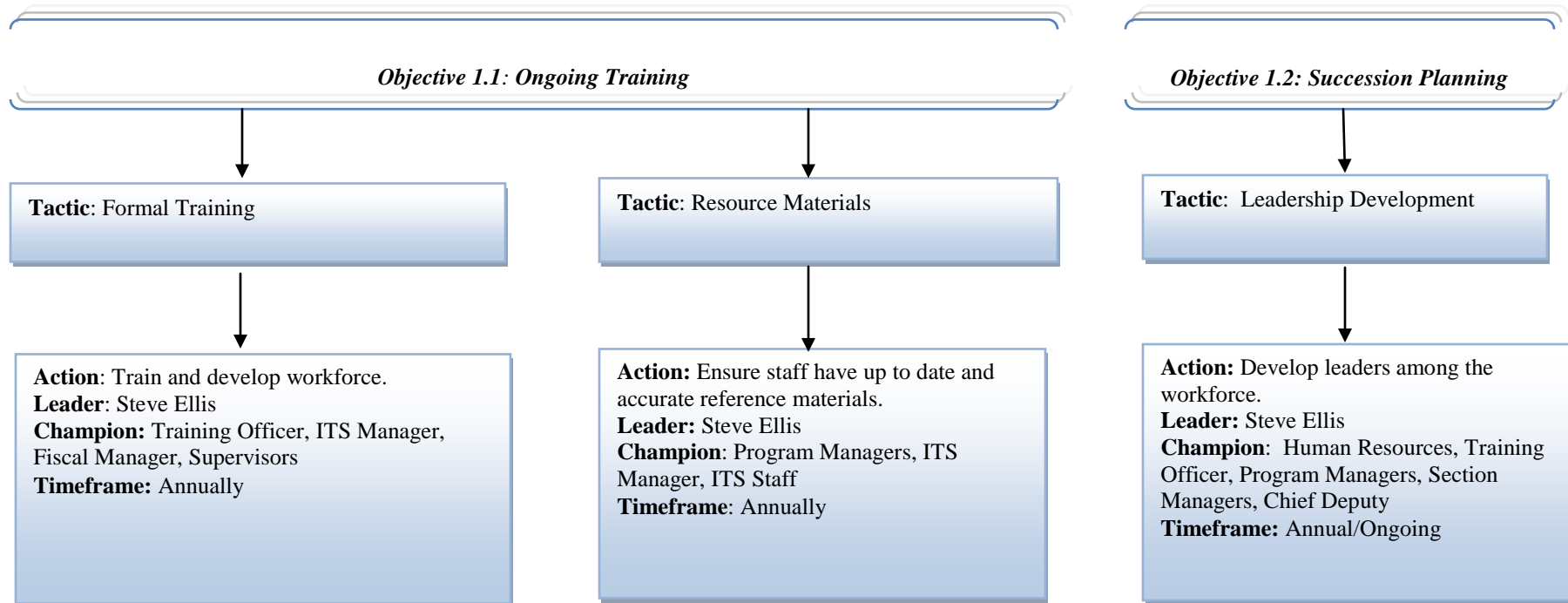
Steve Ellis, Assistant Commissioner

The services provided by our Licensing Section are at the forefront of consumer protection in many respects. Licensing protects the consumer by screening license applicants, expediting the processing of license applications and ensuring that the public is dealing with a properly educated and informed licensee population. In addition, our Licensing Section provides services to assist the public with licensing information so they can make informed decisions when engaging the services of real estate licensees.

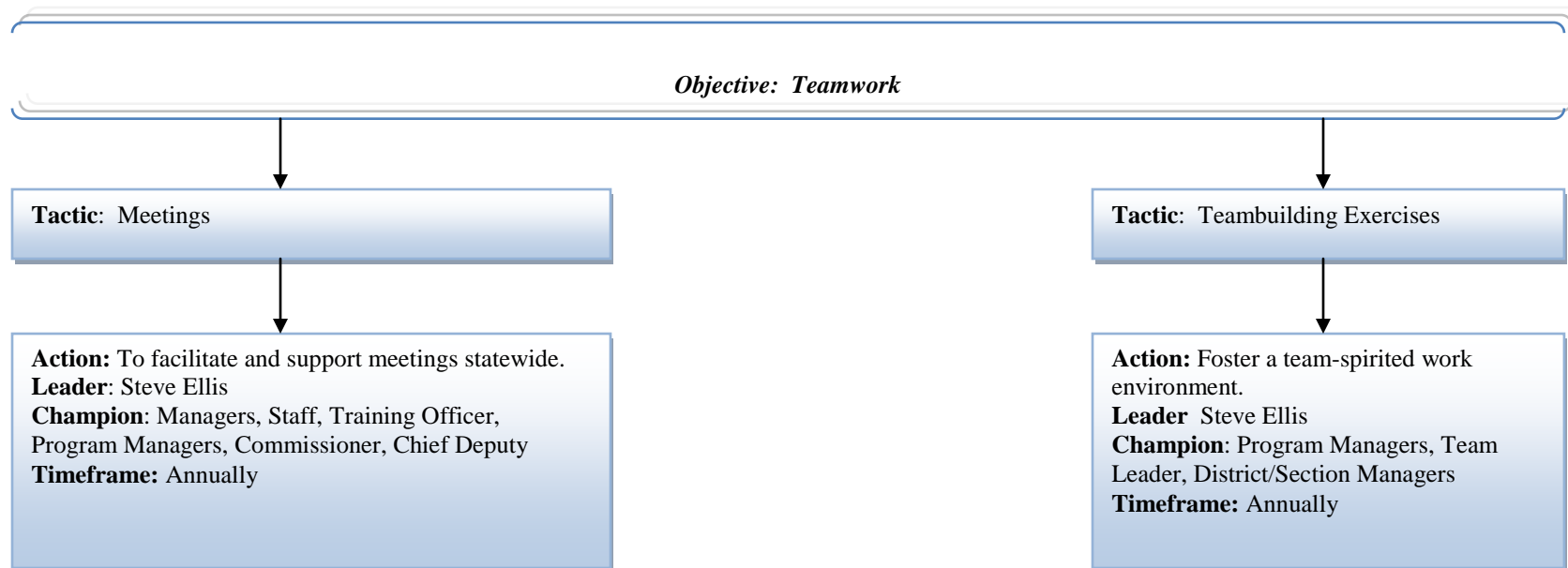
The Administration Section also plays a key role in protecting the consumer by providing essential services and insuring that the business needs of the Department are being met. The staff services provided by Human Resources help ensure that our employees are properly qualified, that personnel transactions are handled in a timely manner and that there is a workforce plan in place to add continuity to the workplace. The Information Technology Services (ITS) section is intricately involved in the alignment, investment and deployment of innovative systems and technologies. ITS is instrumental in providing modern technological solutions and tools to quickly process volumes of data, track cases, provide various web services to the public and generally enable the Department to integrate its internal operation and information sharing capabilities on an enterprise-wide basis. Fiscal, Accounting and Business Services are essential to properly manage the Department's special fund budget, insure its financial condition is sound and compliant with state control agency guidelines, and that the business needs and facility requirements of the Department are being met. The services provided by the Administration Section are so vital to the Departments operation that it is hard to imagine how the Department could exist to protect the public interests if they were not present.

Our Department's strategic plan defines five desired outcomes. These include: 1) a Knowledgeable and Effective Workforce; 2) an Engaged and Connected Staff; 3) the Alignment, Investment and Deployment of Innovative Systems and Technology; 4) Outstanding Public Protection, and; 5) Superior Service. The following pages detail specific work plan tactics that will be used by Licensing and Administration to achieve the outcomes and objectives of this strategic plan.

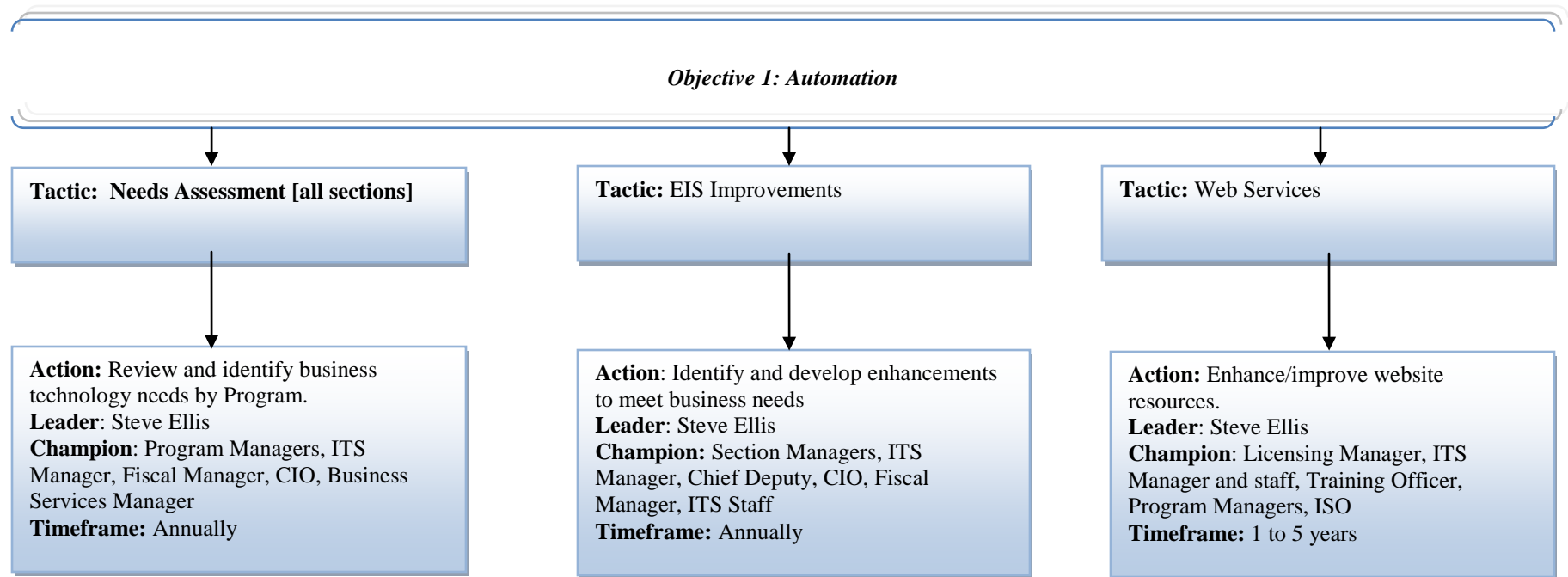
Desired Outcome #1 – Knowledgeable and Effective Workforce



Desired Outcome #2 – Engaged and Connected Staff



Desired Outcome #4 – Alignment, Investment and Deployment of Innovative Systems and Technology





Dan Sandri, Acting Chief Auditor

AUDIT SECTION EXECUTIVE SUMMARY

As agents, brokers have a fiduciary duty to principals while acting on their behalf in real estate transactions. It is the duty of the agent to make full disclosure of all material facts, to use reasonable care and skill, to obey directions of the principal, and to render an accounting of trust funds received. When brokers receive trust funds on behalf of principals in mortgage loan, property management, broker escrow and business opportunity and resale transactions, they must control and account for these trust funds using the utmost care. It is the

mission of the Audit section to protect the consumer through financial compliance audits of real estate licensees and subdivision developments. A primary focus in an audit is on the handling of trust funds by licensees and subdividers.

Our section is often in the forefront of determining whether a real estate broker is providing a beneficial service to consumers or is operating to the detriment of the public interest. A Department of Real Estate audit is designed to determine if the operations of the real estate broker or subdivider, as reflected in business records, complies with the requirements of the Real Estate Law and the Subdivided Lands Law. Audits performed are either investigative or routine. We also review threshold and multi-lender mortgage loan broker reports for possible trust fund handling violations, and are responsible for the internal audit function of the Department. The Chief Auditor acts as the Audit Resolution Liaison for all external audits of the Department by its control agencies.

This strategic plan was developed through the detailed input and enthusiastic efforts of auditors and supervisory staff and will guide the Audit section over the next five years. It has the aim to better our ability to protect the consumer through the achievement of four desired outcomes. The first of these outcomes is the development of a collaborative work environment where management and staff work together and celebrate accomplishments. Auditors are often challenged by high caseloads, complicated audit issues and uncooperative brokers. Teamwork between supervisors and auditor can help overcome logjams and move cases forward. In so many cases, auditors successfully expose trust fund shortages, fraud schemes, misrepresentations and other serious violations. These successes must be recognized and celebrated for the public benefit they provide.

The second outcome is outstanding public protection and outreach. As a visible arm of the Department, our section can actively participate in realizing the vision of the Department as the champion of public protection. Considerable attention will be focused on strengthening risk assessment and targeting high risk broker activities for audits. We will also prioritize audit cases to maximize public protection, educate licensees and the public in the field and through Departmental outreach programs, and secure private information.

Given that the strength of the Audit Section is in the talents of its professional staff, a third outcome is the enhancement and sharing of these talents through a workforce management and retention plan. Our section needs to evaluate annually the effect on its workforce of law changes and determine how to realize a successful, targeted routine audit program. With the assistance of Human Resources, we will study the specialized internal and external audit classes of similar Federal and State agency audit programs in order to develop a classification structure that will improve the retention of its valued talent.

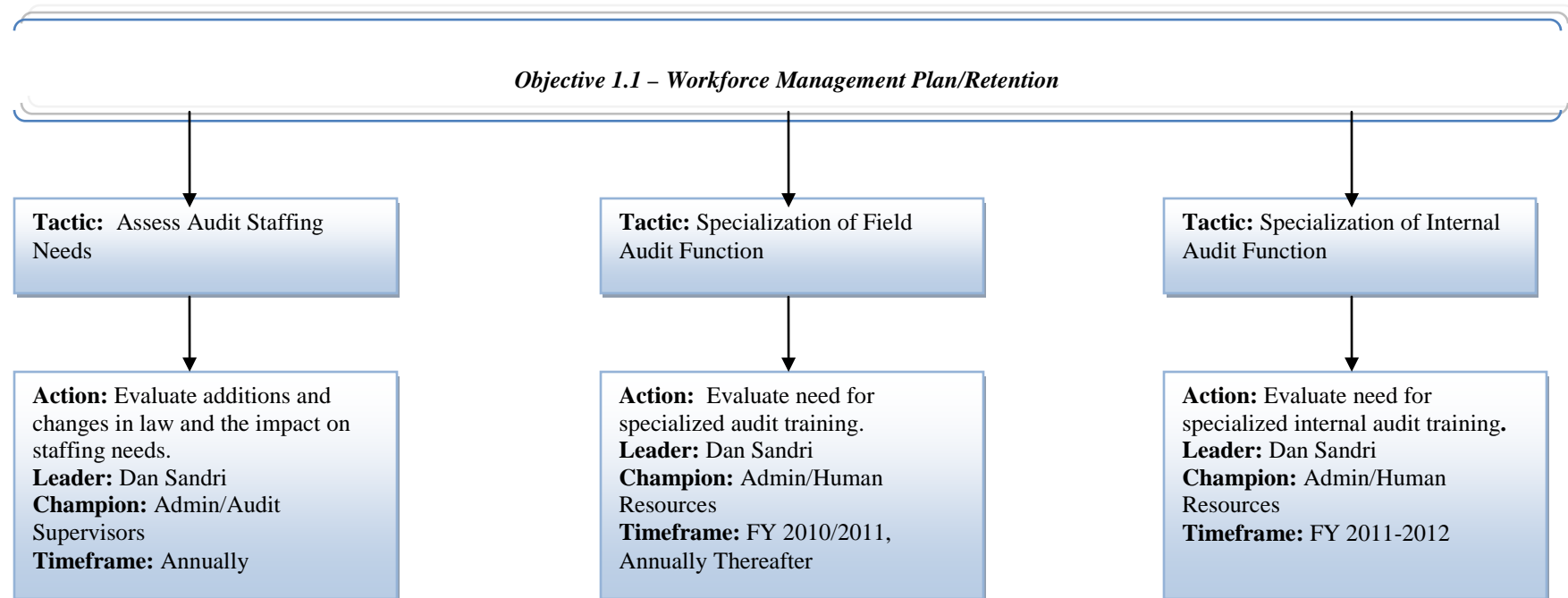
Through the use of shadow training, delegation of responsibility, monthly and annual training meetings, and specialized trainings, our staff will learn critical skills and be kept up-to-date on law and industry changes, and future leaders will grow.

Finally, in order to perform and process work in a highly efficient manner, our staff will need to benefit from innovative systems and technology to maximize their ability to document, calculate and communicate. With the assistance of ITS, and by planning what information needs to be captured and tracked, we can utilize the latest technologies to realize the Department's consumer protection goals.

The contributions of all Audit staff who provided suggestions and otherwise participated in the creation of this plan are greatly appreciated and were critical to its development. Through our continued efforts as a team to realize these results, the Audit section will be a model advocate of consumer protection.

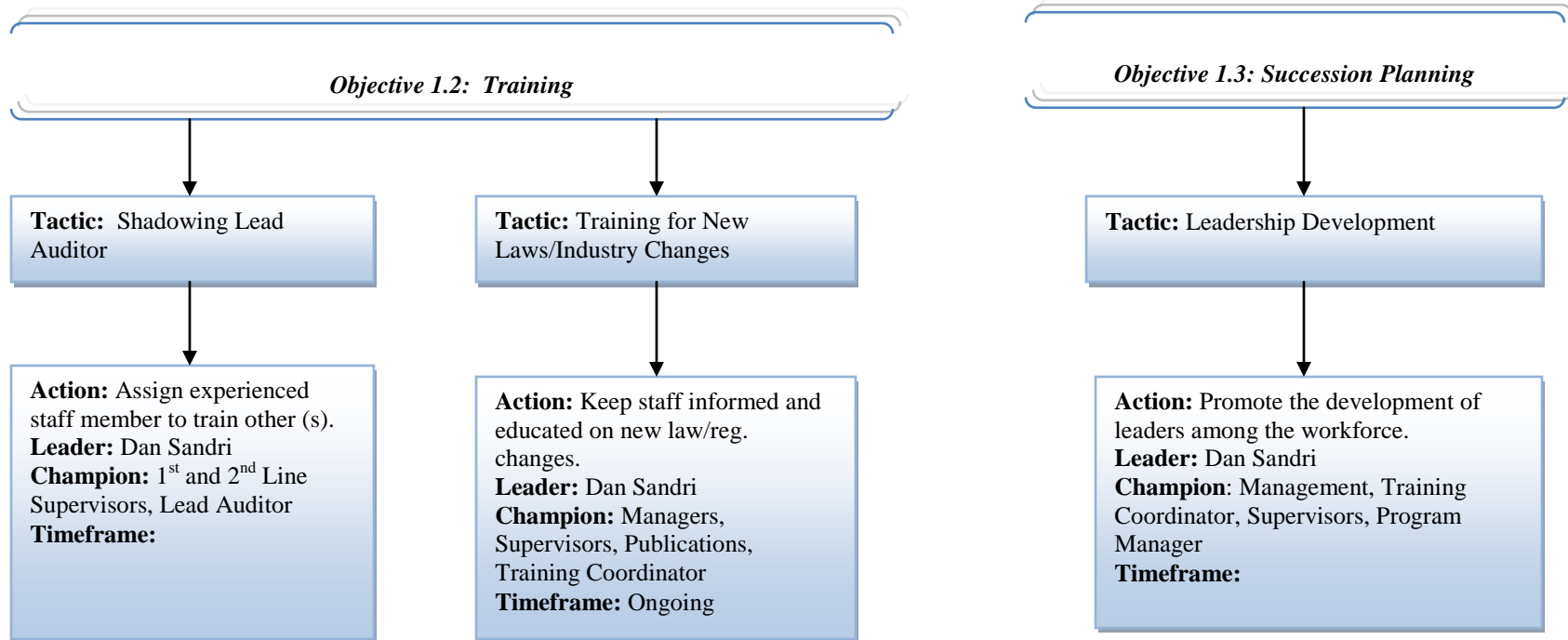
Audit Section Summary Plans

Desired Outcome #1 – Knowledgeable and Effective Workforce

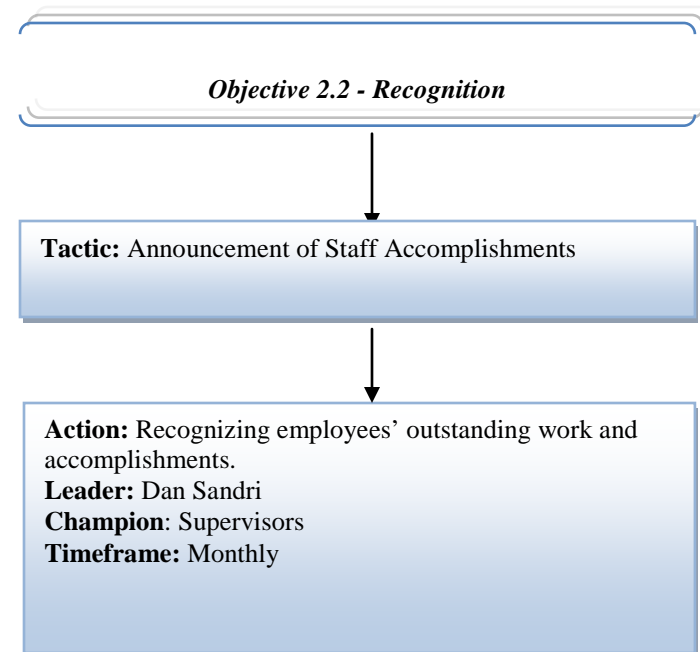
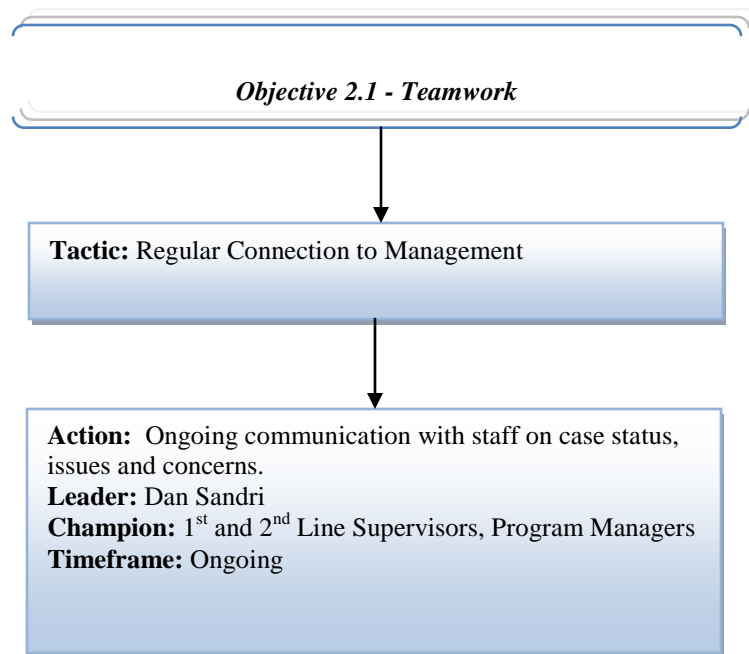


Audit Section Summary Plans

Desired Outcome #1 – Knowledgeable and Effective Workforce

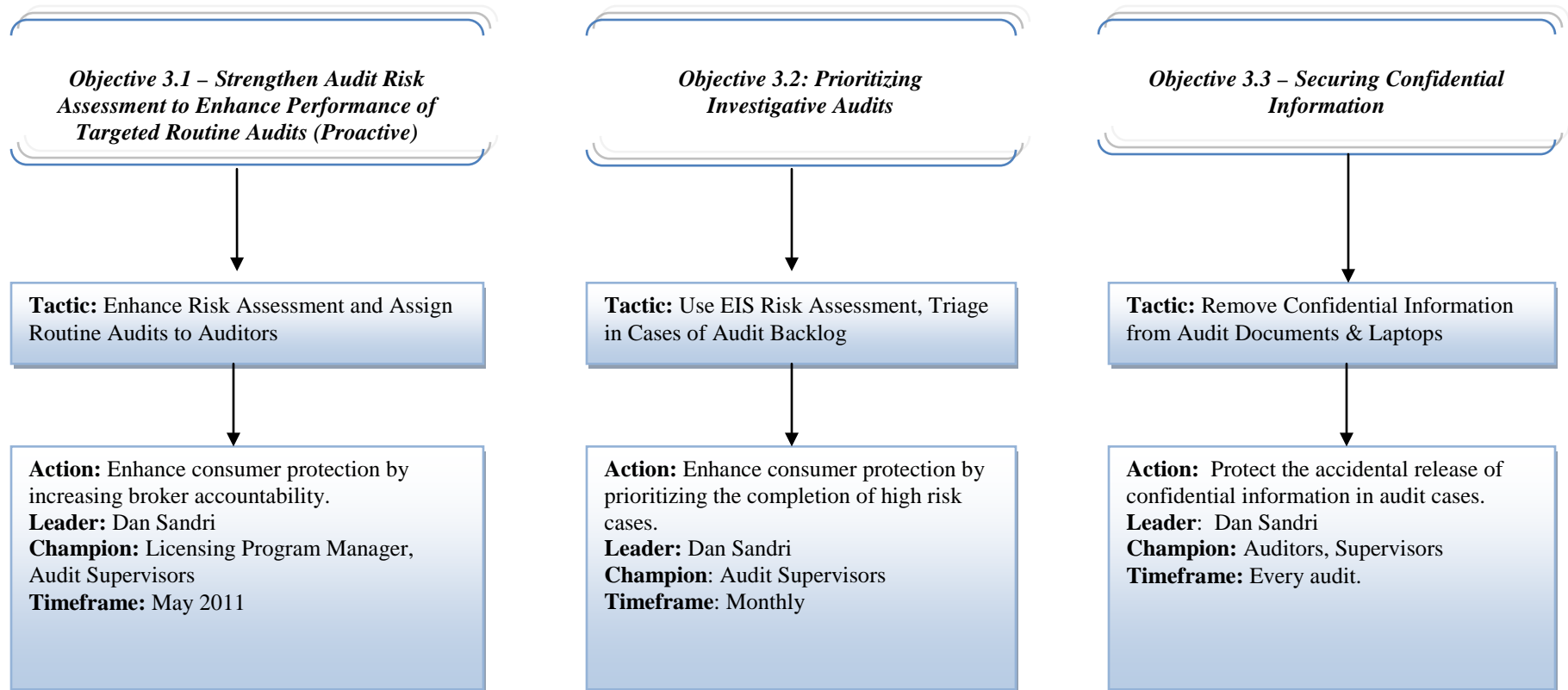


Desired Outcome #2 – Engaged and Connected Staff



Audit Section Summary Plans

Desired Outcome #3 – Outstanding Public Protection & Outreach



Audit Section Summary Plans

Desired Outcome #3 – Outstanding Public Protection & Outreach

Objective 3.4 – Educate the Public

Tactic: Field Work Education

Action: More informed/educated brokers.
Leader: Dan Sandri
Champion: Auditors, Program Manager, ITS
Timeframe: Every audit

Tactic: Proactive Outreach to the Public

Action: Encourage staff participation in outreach events.
Leader: Dan Sandri
Champion: Admin/Audit Supervisors, Task Force
Timeframe: Quarterly

Desired Outcome #4 – Alignment, Investment and Deployment of Innovative Systems and Technology

Objective 4.1 – Updating Infrastructure

Tactic: Up-to-Date Laptops and Other Hardware

Action: Provide staff with adequate working tools.
Leader: Dan Sandri
Champion: Program Manager & ITS
Timeframe: Biennial



REAL ESTATE MATTERS