

1 Department of Real Estate
2 320 West Fourth Street, #350
3 Los Angeles, California 90013

4 (213) 576-6982
5 (213) 620-6430

Jana B. Oron

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8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)	No. H-34070 LA
12)	L-2007070453
13 <u>BOULEVARD BROKERAGE GROUP INC.,</u>)	<u>STIPULATION AND</u>
14 dba Remax on the Boulevard, and)	<u>AGREEMENT</u>
15 dba Remax Commercial; LORE CANIN)	
16 SOMMER, individually and as)	
17 Designated broker-officer of)	
18 Boulevard Brokerage Group Inc.;)	
19 And <u>JAY MICHAEL BELSON,</u>)	
20)	
21 Respondents.)	
22)	

18 It is hereby stipulated by and between BOULEVARD
19 BROKERAGE GROUP INC. (sometimes referred to herein as
20 "Respondent BOULEVARD BROKERAGE "); and JAY MICHAEL BELSON
21 (sometimes referred to herein as "Respondent BELSON"),
22 individually and as designated broker-officer of Boulevard
23 Brokerage,, both represented by Matthew R. Eccles, Esq., and the
24 Complainant, acting by and through Martha J. Rosett, Counsel
25 for the Department of Real Estate, as follows for the purpose
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1 of settling and disposing of the Accusation filed on June 21,
2 2007 in this matter:

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

10 2. Respondents have received, read and understand
11 the Statement to Respondent, the Discovery Provisions of the
12 APA and the Accusation filed by the Department of Real Estate
13 in this proceeding.

14 3. On July 9, 2007, Respondents filed Notices of
15 Defense pursuant to Section 11506 of the Government Code for
16 the purpose of requesting a hearing on the allegations in the
17 Accusation. In order to effectuate this settlement,
18 Respondents hereby freely and voluntarily withdraw said Notices
19 of Defense. Respondents acknowledge that they understand that
20 by withdrawing said Notices of Defense, they will thereby waive
21 their rights to require the Commissioner to prove the
22 allegations in the Accusation at a contested hearing held in
23 accordance with the provisions of the APA and that they will
24 waive other rights afforded to them in connection with the
25 hearing such as the right to present evidence in defense of the
26 allegations in the Accusation and the right to cross-examine
27 witnesses.

1 4. Respondents, pursuant to the limitations set
2 forth below, although not admitting or denying the truth of the
3 allegations, will not contest the factual allegations contained
4 in the Accusation filed in this proceeding and the Real Estate
5 Commissioner shall not be required to provide further evidence
6 of such allegations.

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

18 6. The Order or any subsequent Order of the Real
19 Estate Commissioner made pursuant to this Stipulation and
20 Agreement shall not constitute an estoppel, merger or bar to
21 any further administrative proceedings by the Department of
22 Real Estate with respect to any matters which were not
23 specifically alleged to be causes for accusation in this
24 proceeding.

25 7. This Stipulation and Respondents' decision not to
26 contest the Accusation are made for the purpose of reaching an
27 agreed disposition of this proceeding, and are expressly

1 limited to this proceeding and any other proceeding or case in
2 which the Department of Real Estate ("Department"), or another
3 licensing agency of this state, another state or if the federal
4 government is involved and otherwise shall not be admissible in
5 any other criminal or civil proceedings.

6 DETERMINATION OF ISSUES

7 By reason of the foregoing stipulations and waivers
8 and solely for the purpose of settlement of the pending
9 Accusation without a hearing, it is stipulated and agreed that
10 the following Determination of Issues shall be made:

11 1. The conduct, acts or omissions of Respondent
12 BOULEVARD BROKERAGE GROUP INC., as set forth in the Accusation,
13 constitute cause to suspend or revoke the real estate license
14 and license rights of Respondent BOULEVARD BROKERAGE GROUP
15 INC., under the provisions of Business and Professions Code
16 ("Code") Sections 10177(d) and 10177(g) for violation of Code
17 Section 10177.4.

18 2. The conduct, acts or omissions of Respondent JAY
19 MICHAEL BELSON, as set forth in the Accusation, constitute
20 cause to suspend or revoke the real estate license and license
21 rights of Respondent JAY MICHAEL BELSON under the provisions of
22 Code Sections 10177(d) for violation of Code Section 10177.4.

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1 ORDER

2 WHEREFORE, THE FOLLOWING ORDER is hereby made:

3 A. All licenses and licensing rights of Respondent
4 BOULEVARD BROKERAGE GROUP INC. and Respondent JAY MICHAEL
5 BELSON under the Real Estate Law are suspended for a period of
6 ninety (90) days from the effective date of this Decision;
7 provided, however, that sixty (60) days of said suspension
8 shall be stayed for two (2) years upon the following terms and
9 conditions:

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

13 2. That no final subsequent determination be made,
14 after hearing or upon stipulation, that cause for disciplinary
15 action occurred within two (2) years of the effective date of
16 this Decision. Should such a determination be made, the
17 Commissioner may, in his discretion, vacate and set aside the
18 stay order and reimpose all or a portion of the stayed
19 suspensions. Should no such determination be made, the stay
20 imposed herein shall become permanent.

21 B. As to the remaining 30 days of said 90 day
22 suspensions, all licenses and licensing rights of Respondent
23 BOULEVARD BROKERAGE GROUP INC. and Respondent JAY MICHAEL
24 BELSON shall be suspended for a period of 30 days from the
25 effective date of this decision; provided, however, that if
26 either Respondent petitions, the remaining 30 days of said 90
27 day suspension shall be stayed upon condition that:

1 1. Respondents pay a monetary penalty pursuant to
2 Section 10175.2 of the Business and Professions Code at the
3 rate of \$10,000.00 per Respondent.

4 2. Said payment shall be in the form of a cashier's
5 check or certified check made payable to the Recovery Account
6 of the Real Estate Fund. Said check must be received by the
7 Department prior to the effective date of the Decision in this
8 matter.


9 3. No further cause for disciplinary action against
10 the real estate licenses of Respondents occurs within two years
11 from the effective date of the Decision in this matter.

12 4. If Respondents fail to pay the monetary penalty
13 in accordance with the terms and conditions of the Decision,
14 the Commissioner may, without a hearing, order the immediate
15 execution of all or any part of the stayed suspension in which
16 event the Respondents shall not be entitled to any repayment
17 nor credit, prorated or otherwise, for the money paid to the
18 Department under the terms of this Decision.

19 5. If Respondents pay the monetary penalty and if no
20 further cause for disciplinary action against the real estate
21 licenses of Respondents occurs within two years from the
22 effective date of the Decision, the stay hereby granted shall
23 become permanent.

24 DATED: _____

12/14/07



MARTHA J. ROSETT
Counsel for Complainant

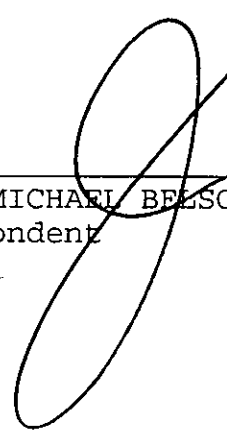
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We have read the Stipulation and Agreement, have discussed it with our counsel, and its terms are understood by us and are agreeable and acceptable to us. We understand that we are waiving rights given to us by the California Administrative Procedure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

Respondents may signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by faxing a copy of its signature page, as actually signed by Respondents, to the Department at the following fax number (213) 576-6917. Respondents agree, acknowledge and understand that by electronically sending to the Department a fax copy of their actual signatures as they appear on the Stipulation, that receipt of the faxed copy by the Department shall be as binding on Respondents as if the Department had received the original signed Stipulation and Agreement.

DATED: 12/4/07



JAY MICHAEL BELSON, individually,
Respondent

1 DATED: 12/4/07

JAY MICHAEL BELSON, designated
broker-officer, on behalf of
Respondent BOULEVARD BROKERAGE
GROUP INC.

2
3
4 DATED: 12/4/07

Matthew R. Eccles
MATTHEW R. ECCLES, ESQ.
Counsel for Respondents

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6 * * * *

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8 The foregoing Stipulation and Agreement is hereby
9 adopted as my Decision in this matter and shall become
10 effective at 12 o'clock noon on MAR - 6 2008

11 IT IS SO ORDERED 2-4-08

12 JEFF DAVI
13 Real Estate Commissioner

14 Jeff Davi
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John Doe

FILED
NOV - 1 2007
DEPARTMENT OF REAL ESTATE

James B. Stone

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-34070 LA
BOULEVARD BROKERAGE GROUP INC.,)	
Db a Remax on the Boulevard, and)	L-2007070453
Db a Remax Commercial;)	
LORE CANIN SOMMER, individually)	
And as Designated broker-officer)	
Of Boulevard Brokerage Group Inc.;)	
And JAY MICHAEL BELSON,)	
)	
Respondents.)	

DISMISSAL

On or about July 3, 2007, the Department of Real Estate received notice that Respondent LORE CANIN SOMMER is deceased.

The Accusation against LORE CANIN SOMMER filed on June 21, 2007, against Respondent LORE CANIN SOMMER is DISMISSED as to that Respondent only.

IT IS SO ORDERED this 25th day of Dec

JEFF DAVIS
Real Estate Commissioner

[Handwritten Signature]

Handwritten initials

FILED

JUN 21 2007

MARTHA J. ROSÉTT, Counsel (SBN 142072)
Department of Real Estate
320 West Fourth St., #350
Los Angeles, CA 90013

DEPARTMENT OF REAL ESTATE
BY: *Janice B. Waddell*

(213) 576-6982
(213) 620-6430

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	No. H-34070 LA
)	
BOULEVARD BROKERAGE GROUP INC.,)	
Dbas "Remax on the Boulevard, and)	<u>A C C U S A T I O N</u>
dbas Remax Commercial; LORE CANIN)	
SOMMER, individually and as)	
Designated broker-officer of)	
Boulevard Brokerage Group Inc.;)	
and JAY MICHAEL BELSON,)	
)	
<u>Respondents.</u>)	

The Complainant, Janice Waddell, a Deputy Real Estate Commissioner, for cause of Accusation against BOULEVARD BROKERAGE GROUP INC., dbas Remax on the Boulevard, and dbas Remax Commercial; LORE CANIN SOMMER, individually and as designated broker-officer of Boulevard Brokerage Group Inc., and JAY MICHAEL BELSON, is informed and alleges as follows:

1.

The Complainant, Janice Waddell, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in

her official capacity.

2.

Respondent BOULEVARD BROKERAGE GROUP INC., dba Remax on the Boulevard, and Remax Commercial (hereinafter "BOULEVARD"), is presently licensed and at all times relevant herein was licensed by the Department of Real Estate of the State of California ("Department") under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereinafter "Code") as a corporate real estate broker. Respondent BOULEVARD was originally licensed by the Department as a corporate real estate broker on or about April 7, 1997.

3.

Between on or about April 7, 1997 and April 6, 2005, Respondent BOULEVARD was authorized to act as a real estate broker by and through Respondent LORE CANIN SOMMER as the designated officer and broker responsible, pursuant to the provisions of Code Section 10159.2, for the supervision and control of the activities conducted on behalf of Respondent BOULEVARD by Respondent BOULEVARD's officers, employees and agents. Beginning on or about April 7, 2005, and continuing to the present time, Respondent BOULEVARD was and is authorized to act as a real estate broker by and through Respondent JAY MICHAEL BELSON as the designated officer and broker responsible, pursuant to the provisions of Code Section 10159.2, for the supervision and control of the activities conducted on behalf of Respondent

1 BOULEVARD by Respondent BOULEVARD's officers, employees and
2 agents.

3 4.

4 At all times relevant herein, Respondent JAY MICHAEL
5 BELSON (hereinafter "BELSON") was and is licensed by the
6 Department as a real estate broker. Respondent BELSON was
7 originally licensed by the Department as a real estate broker on
8 or about December 28, 1993, and was licensed as a salesperson
9 before that. On July 5, 1996, Respondent's broker license was
10 suspended for sixty days, all stayed, in Department Case No.
11 H-26320 LA, due to violations of Business and Professions Code
12 Sections 10145 and 10177(d). A D&R was issued against Respondent
13 on June 11, 1996, in Case No. H-26652 LA, ordering him to desist
14 and refrain from violating Business and Professions Code Section
15 10177.4. Beginning on or about April 7, 2005, and continuing to
16 the present time, Respondent BELSON was and is the broker-office
17 of BOULEVARD designated to be responsible for the supervision and
18 control of activities conducted on behalf of BOULEVARD by its
19 officers, employees, and agents as necessary to secure full
20 compliance with the Real Estate Law.
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22 5.

23 At all times relevant herein, Respondent LORE CANIN
24 SOMMER (hereinafter "SOMMER") was and is licensed by the
25 Department as a real estate broker. Respondent SOMMER was
26 originally licensed by the Department as a real estate broker on
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1 or about December 17, 1979. Beginning on or about April 7, 1997,
2 and continuing until on or about April 6, 2005, Respondent SOMMER
3 was and is the broker-officer of BOULEVARD designated to be
4 responsible for the supervision and control of activities
5 conducted on behalf of BOULEVARD by its officers, employees, and
6 agents as necessary to secure full compliance with the Real
7 Estate Law.

8 6.

9 At all times relevant herein, Asbury Park Financial LLC
10 was and is a limited liability company registered in California
11 with the Office of the Secretary of State, organized for the
12 purpose of real estate investment. Respondent BELSON is the sole
13 member of Asbury Park Financial LLC.

14 7.

15 At all times material herein, Respondents BOULEVARD,
16 BELSON, and SOMMER (collectively referred to herein as
17 "Respondents"), engaged in the business of, acted in the capacity
18 of, advertised or assumed to act as real estate brokers within
19 the meaning of Code Section 10131(a), representing another or
20 others in the purchase, sale or exchange of real property and
21 performing escrow services in relation to those transactions
22 pursuant to Financial Code Section 10076(a)(4).

23 8.

24 All further references to "Respondents", unless
25 otherwise specified, include the parties identified in Paragraphs
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1 2 through 5 above, and also include the employees, agents and
2 real estate licensees employed by or associated with said
3 parties, who at all times herein mentioned were engaged in the
4 furtherance of the business or operations of said parties and who
5 were acting within the course and scope of their authority and
6 employment.

7 UNLAWFUL REFERRAL OF CUSTOMERS FOR COMPENSATION

8 (Business and Professions Code Section 10177.4)

9 "Participation Agreements"

10 9.

11 Beginning on or about December 15, 2003, and continuing
12 through on or about March 15, 2005, Respondents, and each of
13 them, in connection with their real estate sales activities set
14 forth in Paragraph 7 above, engaged in reinsurance programs with
15 LandAmerica Reinsurance Services, Inc. and its affiliates
16 (hereinafter collectively referred to as "LARS"), and with
17 Fidelity National Group of Insurers, and its affiliates,
18 including Fidelity Title, Chicago Title, and Ticor Title
19 (hereafter collectively referred to as "FNF"). Pursuant to these
20 agreements, in connection with the sales of homes brokered by
21 Respondents, the title companies would issue title insurance
22 policies, and in exchange, Respondents would receive compensation
23 in the form of reinsurance "premiums" and additional periodic
24 distributions of assets.

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1 10.

2 Specifically, on December 15, 2003, Respondent BELSON,
3 on behalf of Asbury Park Financial LLC, executed a "Participation
4 Agreement" with LARS. Pursuant to the Participation Agreement,
5 Respondents would receive a percentage of the premium paid to
6 LARS for every real estate transaction in which the parties
7 purchased title insurance from one of the LARS affiliates. Under
8 this Participation Agreement, Respondents paid a one time \$10,000
9 "Participation Fee", an annual "Participant Expense Fee" of
10 \$10,000, and a security deposit of \$25,000. Pursuant to a
11 subsequent "Reinsurance Agreement," Respondent agreed to assume
12 20% liability for title insurance losses, if any, from real
13 estate transactions generated by Respondents, as "reinsurance."
14 In exchange, LARS and/or its affiliates would pay Asbury Park
15 Financial LLC 20% of the title insurance premiums collected per
16 transaction, plus a \$300.00 processing fee, per transaction.

17 11.

18 In addition, on or about June 4, 2004, Respondent
19 BELSON, on behalf of Respondent BOULEVARD, executed a
20 "Participation Agreement" with FNF. Pursuant to the
21 Participation Agreement, Respondents would receive a percentage
22 of the premium paid to FNF for every real estate transaction in
23 which the parties purchased title insurance from one of the FNF
24 affiliates. Under this Participation Agreement, Respondents paid
25 a one time \$10,000 "Participation Fee", an annual "Participant
26 Expense Fee" of \$10,000, and a security deposit of \$25,000.
27 Respondents agreed to assume an unspecified percentage

1 (approximately 15%) liability for title insurance losses, if any,
2 from real estate transactions generated by Respondent BOULEVARD,
3 as "reinsurance." In exchange, FNF and/or its affiliates would
4 pay Respondent BOULEVARD a corresponding percentage of the title
5 insurance premiums collected per transaction, plus a processing
6 fee per transaction.

7 12.

8 In 2005, the California Department of Insurance (DOI)
9 held public hearings relating to the business practice of
10 entering into the types of reinsurance agreements described
11 above. At these hearings, it was determined that the typical
12 loss ratio as to title insurance is three to five percent. DOI
13 found that there is in fact little or no risk transferred to the
14 reinsurer (such as, in this case, in exchange for the portion of
15 premium they are collecting. Further, DOI found that in
16 California, the normal practice is not to have a reinsurer in
17 connection with title business. DOI determined that the
18 reinsurance agreements of the type entered into between FNF and
19 related affiliates and Respondents were not legitimate
20 reinsurance agreements. Rather, these agreements were created as
21 part of a scheme under which title insurers were paying real
22 estate brokers illegal rebates - in the form of "premiums" on
23 fictitious reinsurance paid to captive reinsurers - in exchange
24 for the brokers channeling business to the title companies.

25 13.

26 On or about November 8, 2004, for the period between
27 June of 2004 and November of 2004, Respondent BELSON, as sole

1 member of Asbury Park Financial LLC, received distributions of
2 \$3,101.46 as compensation for referrals of parties to LARS and
3 LARS affiliates for issuance of title insurance as a result of
4 real property purchase and sale transactions negotiated by
5 Respondent BOULEVARD.

6 14.

7 On or about December 22, 2004, for the period between
8 June of 2004 and November of 2004, Respondent BELSON, as sole
9 member of Asbury Park Financial LLC, received distributions of
10 \$11,193.83 as compensation for referrals of parties to FNF and
11 FNF affiliates for issuance of title insurance as a result of
12 real property purchase and sale transactions negotiated by
13 Respondent BOULEVARD.

14 15.

15 The conduct, acts and/or omissions of Respondent
16 BOULEVARD, as set forth in Paragraphs 9 through 14 above are in
17 violation of Code Section 10177.4, and constitute grounds to
18 suspend or revoke Respondent BOULEVARD's real estate broker
19 license pursuant to Business and Professions Code Sections
20 10177(d) and 10177(g) for claiming, demanding or receiving
21 commissions, fees or other consideration from a title insurance
22 company for referral of customers to the title insurance company.

23 16.

24 The conduct, acts and/or omissions of Respondent
25 BELSON, as set forth in Paragraphs 9 through 14 above are in
26 violation of Code Section 10177.4, and constitute grounds to
27 suspend or revoke Respondent BELSON's real estate licenses and/or

1 license rights pursuant to Business and Professions Code Sections
2 10177(g) and/or 10177(d).

3 17.

4 The conduct, acts and/or omissions of Respondent
5 BOULEVARD and Respondent BELSON, in claiming or taking a secret
6 or undisclosed amount of compensation, commission or profit in
7 relation to the referral of customers to FNF and/or LARS
8 affiliated title insurance companies constitutes grounds to
9 discipline Respondents' real estate licenses and/or licensing
10 rights pursuant to Business and Professions Code Sections
11 10176(g) and/or 10177(j).

12 18.

13 The failure of Respondent SOMMER to ensure Respondent
14 BOULEVARD's full compliance with the Real Estate Law, as set
15 forth in Paragraphs 9 through 14 above, in violation of Code
16 Section 10159.2, constitutes grounds to discipline the broker
17 license and license rights of Respondent SOMMER, pursuant to Code
18 Sections 10177(d), 10177(g) and/or 10177(h), for failing to
19 exercise required supervision over the activities of the
20 officers, employees and agents of Respondent BOULEVARD.

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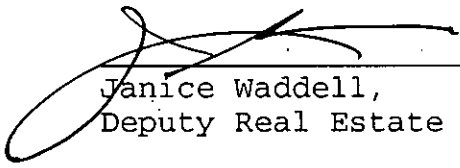
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1 WHEREFORE, Complainant prays that a hearing be
2 conducted on the allegations of this Accusation and that upon
3 proof thereof, a decision be rendered imposing disciplinary
4 action against all licenses and/or license rights of Respondent
5 BOULEVARD BROKERAGE GROUP INC., a corporate real estate broker;
6 Respondent LORE CANIN SOMMER, individually and as designated
7 officer-broker of BOULEVARD BROKERAGE GROUP INC.; and of
8 Respondent JAY MICHAEL BELSON, and for such other and further
9 relief as may be proper under applicable provisions of law.

10 Dated at Los Angeles, California
11 this 21, day of June, 2007.

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14 
15 _____
16 Janice Waddell,
17 Deputy Real Estate Commissioner
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19

20 cc: BOULEVARD BROKERAGE GROUP, INC.
21 JAY MICHAEL BELSON
22 LORE CANIN SOMMER
23 Janice Waddell
24 Sacto.
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