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HAA

FILED
SEP 30 2011

DEPARTMENT OF REAL ESTATE

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BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Accusation of

No. H-36171 LA

JHCN ENTERPRISE, INC.;
JOHN B. SPEAR, Individually and as
Designated officer of the corporation;
and JEROME FARD NALBANDIAN,

OAH No. 2010060119

Respondents.

NOTICE OF REJECTION AND ORDER REMANDING CASE TO
ADMINISTRATIVE LAW JUDGE TO TAKE AND CONSIDER ADDITIONAL EVIDENCE

TO: JHCN ENTERPRISE, INC., JOHN B. SPEAR, and JEROME FARD NALBANIDAN,
Respondents, and to ERIC JACOBSON, Counsel for Respondents.

YOU ARE HEREBY NOTIFIED that the Proposed Decision herein dated
August 25, 2011, of the Administrative Law Judge, is not adopted as the Decision of the Real
Estate Commissioner. A copy of the Proposed Decision dated August 25, 2011 is attached to
this Notice for your review and consideration.

IT IS HEREBY ORDERED, in accordance with Section 11517(c) of the
California Government Code, that this case be referred to Jennifer M. Russell, Administrative
Law Judge of the Office of Administrative Hearings, to (i) take and consider additional evidence

1 regarding the activities and services of Donna Melikian with regard to the Finnell loan, the
 2 written or oral agreements between Donna Melikian and Respondents with regard to her
 3 mortgage loan activities and services for Respondents, any written and/or oral instructions given
 4 to Donna Melikian in connection with her discussions and/or negotiations of the Finnell and
 5 related loans, and the compensation paid to Donna Melikian for the activities and services
 6 provided in connection with the Finnell loan, and to (ii) prepare a revised Proposed Decision.

7 DATED: 9/30/2011

8 BARBARA J. BIGBY
 9 Acting Real Estate Commissioner

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 11 _____

12 By WAYNE S. BELL
 13 Chief Counsel

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BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

JHCN ENTERPRISE, INC.;
JOHN B. SPEAR, individually and as
designated officer of the corporation;
and JEROME FARD NALBANDIAN,

Respondents.

Case No. H-36171 LA

OAH No. 2010060119

PROPOSED DECISION

Jennifer M. Russell, Administrative Law Judge, Office of Administrative Hearings, heard this matter in Los Angeles, California on June 20, 2011.

James R. Peel, Real Estate Counsel, Department of Real Estate, represented the complainant Maria Suarez, Deputy Real Estate Commissioner of the State of California.

Eric S. Jacobson, Attorney at Law, represented respondents JHCN Enterprise, Inc. (JHCN) and Jerome Fard Nalbandian (Nalbandian), who appeared.

No one entered an appearance on behalf of respondent John B. Spear.¹

Testimonial and documentary evidence were received, the case argued, and the matter submitted for decision on June 20, 2011. The Administrative Law Judge makes the following Factual Findings, Legal Conclusions, and Order.

FACTUAL FINDINGS

1. Complainant made the Accusation in her official capacity.
2. On July 2, 2004, the Department of Real Estate (Department) issued Real Estate License number C/01434365 to JHCN, which at various times from July 12, 2004 until April 14, 2009, when it discontinued its operations, conducted business as Capital One Mortgage (Capital One) or Capital 1 Reality. JHCN's real estate license expires November 26, 2011, unless it is revoked or suspended as provided by law.

¹ Counsel for complainant represented that Spear signed a settlement agreement prior to hearing.

3. On May 16, 2005, the Department issued Real Estate Salesperson License number S/01498947 to Nalbandian in the employ of JHCN. Nalbandian's real estate salesperson license expires on May 15, 2013, unless it is revoked or suspended as provided by law.

JHCN's Loan Operations

4. a. Nalbandian is the sole shareholder of JHCN. JHCN's designated officer was John B. Spear (Spear).² Nalbandian testified that JHCN, doing business as Capital One, processed loan applications for submission to potential lenders. Nalbandian "worked with more than 15 to 20 lenders who had multiple programs." Nalbandian testified that the "telemarketing department generated leads and brought [him] the leads." Telemarketers had a script written and approved by Spear. Nalbandian testified that telemarketers "would try to generate clients" and that they "made no offers" because they were "not authorized to do so."

b. Nalbandian testified that he "interviewed customers over the phone" and "determined eligibility just from the interview." "I passed down the information to staff, [who] got [additional] information [such as credit reports] and prepared the documents." Nalbandian testified that after preparation of "the forms," he "made the decision whether a buyer was qualified." Nalbandian then "got on the phone and shopped around for a lender who could do what the borrower wanted." Nalbandian testified that "99.9 percent of the time [he] was the only one in the office who negotiated loans." Nalbandian testified that "the final determination whether a buyer would get a loan was made by the lender based on debt ratio."

5. JHCN employed Dona Melikian (Melikian) and Sevan Ranjbar (Ranjbar). Nalbandian testified that Melikian was "in charge of overseeing a few things in the office to make sure everything was right. She was "not authorized to negotiate [loan] terms with borrowers or lenders." Nalbandian testified that Melikian called borrowers to inform them "whether a lender can do a loan." Ranjbar testified that JHCN employed him as a "junior underwriter" with responsibility for "acquiring documents and providing them to the senior underwriter to process." Nalbandian testified that Ranjbar was "a paper pusher making sure everything was okay." Neither Melikian nor Ranjbar held a real estate license. Melikian's employment at JHCN terminated in 2007.

The Miller Loan

6. a. In May 2006, Mary Miller received several telephone solicitations from various entities, including Capital One, which inquired whether she wanted to refinance the mortgage on her Desert Hot Springs home. Ms. Miller testified that she referred the calls to her spouse who compared the unsolicited offers and decided to go with Capital One. Ms. Miller's testimony did not establish with whom she or her spouse spoke.

² A certified license history indicates that "Designated Officer John B. Spear expired as of 07-01-08" and "Designated Officer John B. Spear cancelled as of 07-02-08."

b. Ms. Miller testified that her spouse was ill and "on pain pills."³ They sought to refinance their home mortgage to generate money for his care. Ms. Miller testified that "my husband did the negotiating" and that "every thing was done through the phone." Ms. Miller "remember[ed] [her spouse] saying go ahead and sign this and see what happens."

7. Nalbandian testified that although he spoke to Ms. Miller "many times," "she frequently didn't remember who I was." Nalbandian testified that Ms. Miller said she "didn't understand the finance world and she suggested that I speak with her husband."

8. Ranjbar testified that Nalbandian gave the Miller case to him to complete a loan application for submission to a senior underwriter and investor-lender. In his preparation of the loan application, Ranjbar reviewed a check list of items, including W-2 forms, pay stubs, tax returns, and credit report, with Ms. Miller's spouse on the phone "to make sure the information was complete." Ranjbar testified that as he completed the loan application Ms. Miller's spouse expressed that he wanted the new loan to impound taxes and insurance. Ranjbar testified that he "took notes and said I would make sure the processor submits it." Ranjbar testified that he did not speak to lenders and that he "had no authority to vary anything." He "was not authorized to discuss or negotiate terms or payments. It was all done by [Nalbandian]." Ranjbar hand wrote the information on the application, which was subsequently typed. Ms. Miller alone is listed as the borrower on both the handwritten and typed loan applications (Exhibits A and B), which falsely indicate that Ms. Miller owns a landscape design company that pays her \$7,650 monthly. The loan documents were faxed to the Millers for signing. Ms. Miller testified that she signed the loan documents at her home and that her signature appears on both loan applications.

9. Ms. Miller obtained from World Savings a \$348,500 mortgage loan on her Desert Hot Springs home. A Final Settlement Statement (Exhibit C), which Ms. Miller claims she had never seen before hearing, indicates that \$31,604.36 was paid out to Ms. Miller. On initial examination at hearing, Ms. Miller denied receipt of the cash-out payment, but after additional questioning she recanted and admitted that the money was wired to her Washington Mutual Bank account.

10. Ms. Miller testified that no payments were made on the mortgage loan and that the lender foreclosed on the mortgage.

11. It was not established by clear and convincing evidence that respondent JHCN employed any unlicensed real estate broker or salesperson to solicit and negotiate loans for Miller.

12. It was not established by clear and convincing evidence that respondent Nalbandian falsely represented he conducted an interview in connection with the Miller loan application.

³ Mr. Miller is deceased.

The Ruiz Loan

13. In 2006, James Ruiz wanted to consolidate the first and second mortgages on the Church Hill Street, San Bernardino home in which he and his fiancé resided. Ruiz's fiancé was home pregnant at the time and she handled the loan application process. Ruiz testified that he authorized his fiancé to speak on his behalf and that he "did not know who she spoke to." Nalbandian recalled talking to Ruiz. Nalbandian testified that Ruiz "authorized his fiancé to handle questions regarding the loan."

14. Ruiz testified that he was not sure who sent him a mortgage loan application, but that he received one, which he completed and faxed to JHCN. Nalbandian testified that "85% of the time" documents were transmitted via facsimile. A handwritten mortgage loan application falsely indicates that Ruiz is self-employed as a jewelry designer. (Exhibit 4) Ruiz testified that he "did not put Ruiz Design or jewelry designer [on the application]. I don't know how that got there." Nalbandian testified that Ruiz's "girlfriend told me that his business was Ruiz Design." Ruiz denied that the signature on the hand written application belonged to him. Ruiz's signature appears on a typed mortgage loan application containing the identical false employment information.

15. Ruiz testified that Melikian contacted him because Ranjbar could not do what he wanted. Ruiz testified that Melikian represented herself as an auditor and stated that she "wanted to see if she could help." Ruiz testified that they "talked about the numbers," that he "did not want money out," that he "just wanted to impound," and "wanted the same or lower payment, if possible." Ruiz testified that Melikian said "no problem."

16. A notary met Ruiz at his home to sign loan documents. Ruiz testified that he "had questions with the loan and she couldn't help us with it." Ruiz nonetheless signed the documents. He testified that "afterwards I sat down with my girlfriend and saw that none of the documents looked right so we faxed over a cancellation. After that, we got a phone call from Dona [Melikian] asking why we tried to cancel. She said it was too late to cancel. She said she would be over to talk about the loan. Dona came over to the house and tried to explain the loan. She said we had to do the notarization again. I didn't understand that because I was under the impression that it went through. Dona indicated that this was a good deal. She said she had the same loan."

17. Nalbandian was unaware of Ruiz's faxed cancellation and that Melikian visited Ruiz after receiving it. Nalbandian testified that "we always have cancellation. We never say you can't cancel when the cancellation occurs within the three-day period."

18. Ruiz testified that his original mortgage loan was \$365,000 and that "the loan shot up to \$375,000." After Ruiz "got the first bill [he] saw that it was not the mortgage that [he] agreed on." "The mortgage was too high. They said it would be about \$1,500, but it went up to \$2,100." Ruiz's fiancé called "to try to get this thing resolved." Ruiz testified that his fiancé was unable to get hold of Nalbandian or Melikian. Eventually, after Ruiz and

his fiancé “put \$5,000 down” on another residential property, they moved out of and stopped making mortgage payments on the Church Hill Street property in San Bernardino.

19. It was not established by clear and convincing evidence that respondent JHCN employed any unlicensed real estate broker or salesperson to solicit and negotiate loans for Ruiz.

20. It was not established by clear and convincing evidence that respondent Nalbandian falsely represented that he conducted an interview in connection with the Ruiz loan application.

The Finnell Loan

21. Lester Finnell testified that in June 2006 he “dealt with a guy who asked for basic information. He said he did not have a program that would be helpful to [Finnell]], so we left it at that.” Finnell could not recall the name of the person to whom he spoke. Finnell testified that the person was from Capital One. Nalbandian testified that he spoke to Finnell “two to three times” and that he told Finnell he “couldn’t do anything for him.” Finnell’s credit history indicated late mortgage and credit card payments. According to Nalbandian’s testimony, at a later date “Dona [Melikian] reviewed the files and said based on a new program [they] could save the case.” Nalbandian authorized Melikian to call Finnell. Nalbandian testified that in late 2006, Melikian called Finnell “to say there is a new program to possibly help with his credit.”

22. Finnell’s testimony confirms that in November 2006, Melikian called him. Finnell believed Melikian obtained his phone number from Nalbandian. Finnell told Melikian that he wanted to consolidate his first and second mortgages on his Burbank Boulevard residence in Woodland Hills to lower his monthly mortgage payments and that he wanted to pay off his property taxes. Finnell testified that Melikian said she would run some numbers and call him a few days later, which she did. Finnell testified that Melikian “quoted numbers on the phone” and that the numbers were “three to three thousand five hundred per month.”

23. Finnell testified that he received a statement “indicating a \$4,800 payment per month.” He told Melikian that the payment was too high and she said that “this amount is for a short while.” Finnell testified that Melikian told him that he will be able “to refinance for lower payments” and that in the mean while she “could put cash in [his] pocket.” In December 28, 2006, Finnell met Melikian in her office where she presented him with “documents with a \$6,300 payment each month and a \$30,000 payout in cash.” Finnell testified that he told Melikian that he could not make the payment and she “gave assurances,” which Finnell asked her to put in writing. Finnell testified that he witnessed Melikian prepare and signed a note stating, “I Dona Melikian guarantee the Mr. Lester Finnell will be receiving the amount of \$30,000 (thirty thousand) dollars cash back upon the close of escrow! Further [illegible] on his next refinance there will be no origination fee!” The note

is written on paper without any letterhead. The note is notarized. (Exhibit 10) Nalbandian had no knowledge of the notarized note.

24. Finnell testified that "the plan was for me to make the payments out of the \$30,000 and by April the payments would be lowered to three to three thousand five hundred dollars per month. So based on what Dona [Melikian] said I signed and closed escrow. I believed she knew what she was talking about. She said she did it all the time." Finnell received \$19,547.37 in cash, which he used to make his mortgage loan payments. Finnell testified that "I wasn't sure what type of loan it was. She never explained it to me. I wasn't sure what was going on. One year later, I just couldn't afford the payment without going into financial break down or stress. I lost the property to Bank of America."

25. It was not established by clear and convincing evidence that respondent JHCN employed any unlicensed real estate broker or salesperson to solicit and negotiate loans for Finnell.

26. It was not established by clear and convincing evidence that respondent Nalbandian falsely represented that he conducted an interview in connection with the Finnell loan application.

LEGAL CONCLUSIONS

1. Complainant bears the burden of proving by clear and convincing evidence to a reasonable certainty the allegations in the Accusation. (See *Ettinger v. Board of Medical Quality Assurance* (1982) 135 Cal.App.3d 853, 855-6.)

2. In combination, paragraphs VI and VII of the Accusation allege that JHCN and Spear violated Business and Professions Code⁴ sections 10137 and 10177, subdivisions (d) and (g), "in that Respondents employed Sevan Ranjbar and Donna Melikian, who were not licensed as a real estate broker or salesperson, to solicit and negotiate loans on real estate property for borrowers James Anthony Ruiz, Mary Miller, Lester Finnell, and Rosie M. Parsons."⁵ In combination, paragraphs VII and X of the Accusation allege that Nalbandian violated section 10177, subdivisions (f) and (j), in that he "falsely represented in each Loan Application that he had conducted the interview with the borrower." Complainant seeks suspension or revocation of JHCN and Nalbandian's real estate licenses and licensing rights.

⁴ Unless specified otherwise, all further statutory references are to the Business and Professions Code.

⁵ No testimonial or documentary evidence of solicitation and negotiation of loans on real property for Rosie M. Parson was presented at hearing.

3. Section 10130 makes it unlawful for any person to engage in the business, act in the capacity of, advertise or assume to act as a real estate broker or a real estate salesman without first obtaining a real estate license from the Department.

4. Section 10131 defines a real estate broker in pertinent part as follows:

A real estate broker . . . is a person who, for compensation or in expectation of a compensation, regardless of the form or time of payment, does or negotiates to do one or more of the following acts or another or others:

[¶] . . . [¶]

(d) Solicits borrowers or lenders for or negotiates loans or collects payment or performs services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity.

5. Section 10132 defines a real estate salesman as "a natural person who, for compensation or in expectation of a compensation, is employed by a licensed real estate broker to do one or more of the acts set forth in Sections 10131, 10131.1, 10131.2, 10131.3, 10131.4, and 10131.6."

6. Section 10137 makes it "unlawful for any licensed real estate broker to employ or compensate, directly or indirectly, any person for performing any of the acts within the scope of this chapter who is not a licensed real estate broker, or a real estate salesman licensed under the broker employing or compensating him"

7. Section 10177, which enumerates several grounds for disciplining a real estate licensee, provides in pertinent part the following:

The commissioner may suspend or revoke the license of a real estate licensee . . . who has . . .

[¶] . . . [¶]

(d) Willfully disregarded or violated the Real Estate Law . . . or the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law

[¶] . . . [¶]

(f) Acted or conducted himself or herself in a manner that would have warranted the denial of his or her application for a real estate license

(g) Demonstrated negligence or incompetence in performing an act for which he or she is required to hold a license.

[¶] . . . [¶]

(j) Engaged in any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing.

8. Cause does not exist to suspend or revoke respondent JHCN's real estate broker license or license rights pursuant to Business and Professions Code sections 10137 and 10177, subdivisions (d) and (g), in that, as set forth in Factual Findings 4 through 26, inclusive, it was not clearly and convincingly established that JHCN employed unlicensed real estate brokers or salespersons to solicit and negotiate loans on real estate property for Miller, Ruiz, or Finnell.

Discussion: With respect to the solicitation of loan on real estate property, Nalbandian testified that although he spoke with Ms. Miller many times, she did not remember doing so. Ms. Miller's testimony that she did not recall with whom she spoke corroborated Nalbandian's testimony. Furthermore, Ms. Miller expressed confusion about the world of finance and deferred to her spouse, who spoke to Nalbandian. Ruiz authorized his fiancé to speak and act on his behalf. Ruiz's fiancé spoke to Nalbandian. Finnell's initial dealings were with Nalbandian. Nalbandian solicited loans on real estate property for Miller, Ruiz, and Finnell. The evidence established that Ranjbar conduct was limited to gathering information pertinent to the loan process. Melikian dissuaded Ruiz from cancelling an approved loan and notarized a promise that Finnell would receive a specific cash-out sum from escrow without JHCN's authorization or Nalbandian's knowledge. Melikian's unauthorized activities occurred after Nalbandian had already completed his solicitation of Ruiz. It was not established by clear and convincing evidence that JHCN employed Ranjbar or Melikian to solicit.

The unrefuted evidence establishes that Nalbandian negotiated loan terms at JHCN. Neither Ranjbar nor Melikian were authorized to negotiate loan terms. Although Melikian revived interest in Finnell's case, it was not clearly and convincingly established that Melikian negotiated loan terms on Finnell's behalf. The evidence established that at most Melikian quoted numbers on the phone. It was not established from whom and under what circumstances the quoted numbers were generated. The evidence failed to establish clearly or convincingly that Ranjbar or Melikian negotiated loan terms.

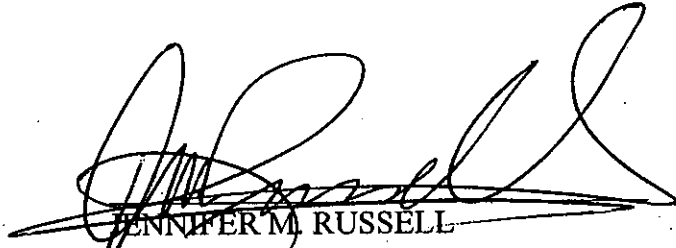
9. Cause does not exist to suspend or revoke respondent Nalbandian's real estate salesperson's license or license rights pursuant to Business and Professions Code 10177, subdivisions (f) and (j), for falsely representing that he conducted an interview in connection with the Miller, Ruiz and Finnell loan applications. The unrefuted evidence set forth in Factual Findings 7, 12, 13, 20, 21, and 26 established that Naldandian interviewed Ms. Miller and her spouse, Ruiz's fiancé, who acted as his authorized representative, and Finnell in connection mortgage loan applications.

10. As cause for suspension or revocation of respondents JHCN and Nalbandian's real estate licenses and license rights was not established by the evidence, the Accusation must be dismissed.

ORDER

Accusation Number H-36171 filed against JHCN Enterprise, Inc. and Jerome Fard Nalbandian is dismissed.

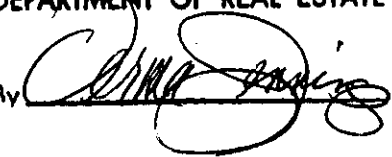
DATED: August 25, 2011


~~JENNIFER M. RUSSELL~~
Administrative Law Judge
Office of Administrative Hearings

not adopted

SALDO
Plan

1 Department of Real Estate
2 320 W. 4th St., Room 350
3 Los Angeles, California 90013
4 Telephone: (213) 576-6982

FILED
AUG 24 2011
DEPARTMENT OF REAL ESTATE
By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	No. H-36171 LA
12)	L-2010 060 119
13	JHCN ENTERPRISE, INC.;)	
14	JOHN B. SPEAR, individually)	
15	and as designated officer)	
16	of the corporation;)	<u>STIPULATION AND AGREEMENT</u>
17	and JEROME FARD NALBANDIAN,)	
)	
)	
	Respondents.)	
)	

18 It is hereby stipulated by and between JOHN B. SPEAR
19 (sometimes referred to as Respondent) and the Complainant,
20 acting by and through James R. Peel, Counsel for the Department
21 of Real Estate, as follows for the purpose of settling and
22 disposing of the Accusation filed on August 12, 2009, in this
23 matter.

24
25 1. All issues which were to be contested and all
26 evidence which was to be presented by Complainant and Respondent
27 at a formal hearing on the Accusation, which hearing

1 was to be held in accordance with the provisions of the
2 Administrative Procedure Act ("APA"), shall instead and in place
3 thereof be submitted solely on the basis of the provisions of
4 this Stipulation and Agreement ("Stipulation").

5 2. Respondent has received, read and understands the
6 Statement to Respondent, the Discovery Provisions of the
7 Administrative Procedure Act ("APA") and the Accusation filed by
8 the Department of Real Estate in this proceeding.

9 3. On September 28, 2009, Respondent filed a Notice
10 of Defense pursuant to Section 11506 of the Government Code for
11 the purpose of requesting a hearing on the allegations in the
12 Accusation. Respondent hereby freely and voluntarily withdraws
13 said Notice of Defense. Respondent acknowledges that he
14 understands that by withdrawing said Notices of Defense he will
15 thereby waive his right to require the Commissioner to prove the
16 allegations in the Accusation at a contested hearing held in
17 accordance with the provisions of the APA and that he will waive
18 other rights afforded to him in connection with the hearing,
19 such as the right to present evidence in defense of the
20 allegations in the Accusation and the right to cross-examine
21 witnesses.

22 4. This Stipulation is based on the factual
23 allegations contained in the Accusation filed in this
24 proceeding. In the interest of expedience and economy,
25 Respondent chooses not to contest these factual allegations, but
26 to remain silent and understands that, as a result thereof,
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1 these factual statements, will serve as a prima facie basis for
2 the disciplinary action stipulated to herein. The Real Estate
3 Commissioner shall not be required to provide further evidence
4 to prove such allegations.

5 5. This Stipulation and Respondent's decision not to
6 contest the Accusation is made for the purpose of reaching an
7 agreed disposition of this proceeding and is expressly limited
8 to this proceeding and any other proceeding or case in which the
9 Department of Real Estate ("Department"), the state or federal
10 government, or an agency of this state, another state or the
11 federal government is involved.

12 6. It is understood by the parties that the Real
13 Estate Commissioner may adopt the Stipulation as his decision
14 in this matter thereby imposing the penalty and sanctions on
15 Respondent's real estate licenses and license rights as set
16 forth in the below "Order". In the event that the Commissioner
17 in his discretion does not adopt the Stipulation, the
18 Stipulation shall be void and of no effect, and Respondent shall
19 retain the right to a hearing on the Accusation under all the
20 provisions of the APA and shall not be bound by any stipulation
21 or waiver made herein.

22 7. The Order or any subsequent Order of the Real
23 Estate Commissioner made pursuant to this Stipulation shall not
24 constitute an estoppel, merger or bar to any further
25 administrative or civil proceedings by the Department of Real
26 Estate with respect to any conduct which was not specifically
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1 alleged to be causes for accusation in this proceeding.

2 DETERMINATION OF ISSUES

3 By reason of the foregoing stipulations and waivers
4 and solely for the purpose of settlement of the pending
5 Accusation without a hearing, it is stipulated and agreed that
6 the following determination of issues shall be made:

7 The conduct, acts and/or omissions of Respondent
8 JOHN B. SPEAR, as set forth in the Accusation, constitute cause
9 for the suspension or revocation of all of the real estate
10 licenses and license rights of Respondent under the provisions
11 of Section 10177(g) of the Business and Professions Code
12 ("Code").

13 ORDER

14 All licenses and licensing rights of Respondent JOHN
15 B. SPEAR under the Real Estate Law are suspended for a period of
16 sixty (60) days from the effective date of this Decision;
17 provided, however, said sixty (60) day suspension shall be
18 stayed up to and including September 14, 2012, upon the
19 following terms and conditions:

20 1. Respondent shall obey all laws, rules and
21 regulations governing the rights, duties and responsibilities of
22 a real estate licensee in the State of California; and

23 2. That no final subsequent determination be made,
24 after hearing or upon stipulation that cause for disciplinary
25 action occurred prior to and including September 14, 2012.

26 Should such a determination be made, the Commissioner may, in
27

1 his discretion, vacate and set aside the stay order and reimpose
2 all or a portion of the stayed suspension. Should no such
3 determination be made, the stay imposed herein shall become
4 permanent.

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7 DATED: June 21, 2011

James R. Peel
JAMES R. PEEL, Counsel for the
Department of Real Estate

8
9 * * *

10 I have read the Stipulation and Agreement, and its
11 terms are understood by me and are agreeable and acceptable to
12 me. I understand that I am waiving rights given to me by the
13 California Administrative Procedure Act (including but not
14 limited to Sections 11506, 11508, 11509 and 11513 of the
15 Government Code), and I willingly, intelligently and voluntarily
16 waive those rights, including the right of requiring the
17 Commissioner to prove the allegations in the Accusation at a
18 hearing at which I would have the right to cross-examine
19 witnesses against me and to present evidence in defense and
20 mitigation of the charges.

21 Respondent can signify acceptance and approval of the
22 terms and conditions of this Stipulation and Agreement by faxing
23 a copy of the signature page, as actually signed by Respondent,
24 to the Department at the following telephone/fax number:
25 (213) 576-6917. Respondent agrees, acknowledges and understands
26 that by electronically sending to the Department a fax copy of
27 his or her actual signature as it appears on the Stipulation and

1 Agreement, that receipt of the faxed copy by the Department
 2 shall be as binding on Respondent as if the Department had
 3 received the original signed Stipulation and Agreement.

4 Further, if the Respondent is represented, the
 5 Respondent's representative can signify his or her agreement to
 6 the terms and conditions of the Stipulation and Agreement by
 7 submitting that signature via fax.

8 DATED: 6/9/14 *John B. Spear*
 9 JOHN B. SPEAR
 Respondent

10 * * *

11 The foregoing Stipulation and Agreement is hereby
 12 adopted as my Decision and Order in this matter, and shall
 13 become effective at 12 o'clock noon on _____
 14

15 IT IS SO ORDERED _____
 16

17 BARBARA J. BIGBY
 18 Acting Real Estate Commissioner
 19
 20 _____
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1 Agreement, that receipt of the faxed copy by the Department
2 shall be as binding on Respondent as if the Department had
3 received the original signed Stipulation and Agreement.

4 Further, if the Respondent is represented, the
5 Respondent's representative can signify his or her agreement to
6 the terms and conditions of the Stipulation and Agreement by
7 submitting that signature via fax.

8
9 DATED: _____
10 JOHN B. SPEAR
11 Respondent

12 * * *

13 The foregoing Stipulation and Agreement is hereby
14 adopted as my Decision and Order in this matter, and shall
15 become effective at 12 o'clock noon on **SEP 13 2011**

16 IT IS SO ORDERED 7/12/11

17 BARBARA J. BIGBY
18 Acting Real Estate Commissioner

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1 JAMES R. PEEL, Counsel (SBN 47055)
2 Department of Real Estate
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FILED
AUG 12 2009
DEPARTMENT OF REAL ESTATE



8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11	In the Matter of the Accusation of)	No. H-36171 LA
12)	<u>A C C U S A T I O N</u>
13	JHCN ENTERPRISE, INC.;)	
14	JOHN B. SPEAR individually)	
15	and as designated officer)	
16	of the corporation;)	
17	and JEROME FARD NALBANDIAN,)	
18)	
19	Respondents.)	

18 The Complainant, Robin L. Trujillo, a Deputy Real
19 Estate Commissioner of the State of California, for cause of
20 accusation against JHCN ENTERPRISE, INC., JOHN B. SPEAR
21 individually and as designated officer of JHCN Enterprise, Inc.,
22 and JEROME FARD NALBANDIAN, alleges as follows:

23 I

24 The Complainant, Robin L. Trujillo, acting in her
25 official capacity as a Deputy Real Estate Commissioner of the
26 State of California, makes this Accusation against JHCN
27 ENTERPRISE, INC., JOHN B. SPEAR, and JEROME FARD NALBANDIAN.

1 II

2 JHCN ENTERPRISE, INC., JOHN B. SPEAR individually and
3 as designated officer of said corporation, and JEROME FARD
4 NALBANDIAN (hereinafter referred to as "Respondents"), are
5 presently licensed and/or have license rights under the Real
6 Estate Law (Part 1 of Division 4 of the Business and Professions
7 Code, hereinafter Code).

8 III

9 Respondent JHCN ENTERPRISE, INC. was originally
10 licensed as a real estate broker on July 2, 2004. Pursuant to
11 Code Section 10159.2, Respondent JOHN B. SPEAR is responsible for
12 the supervision and control of the activities conducted on behalf
13 of the corporation by its officers and employees as necessary to
14 secure full compliance with the provisions of the real estate
15 law, including the supervision of salespersons licensed to the
16 corporation in the performance of acts for which a real estate
17 license is required.

18 IV

19 At all times material herein, Respondents JHCN
20 ENTERPRISE, INC. and JOHN B. SPEAR engaged in the business of,
21 acted in the capacity of, advertised or assumed to act as real
22 estate brokers in the State of California, within the meaning of
23 Section 10131(d) of the Code, including soliciting borrowers and
24 lenders and negotiating loans on real property.

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At all times herein mentioned, Respondent JEROME FARD NALBANDIAN was licensed as a real estate salesperson employed by Respondent corporation.

VI

In connection with Respondents JHCN ENTERPRISE, INC. and JOHN B. SPEAR's activities as real estate brokers, as described above, Respondents violated Section 10137 of the Code in that Respondents employed Sevan Ranjbar and Dona Melikian, who were not licensed as a real estate broker or salesperson, to solicit and negotiate loans on real property for borrowers James Anthony Ruiz, Mary Miller, Lester Finnell, and Rosie M. Parsons.

VII

In regards to the Loan Application for each borrower Respondent JEROME FARD NALBANDIAN falsely represented in each Loan Application that he had conducted the interview with the borrower.

VIII

The conduct, acts and/or omissions of Respondents JHCN ENTERPRISE, INC. and JOHN B. SPEAR, as alleged above, subjects their real estate licenses and license rights to suspension or revocation pursuant to Sections 10137, 10177(d) and/or 10177(g) of the Code.

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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 license rights of Respondents
5 JHCN ENTERPRISE, INC., JOHN B. SPEAR individually and as
6 designated officer of JHCN Enterprise, Inc., and JEROME FARD
7 NALBANDIAN under the Real Estate Law (Part 1 of Division 4 of the
8 Business and Professions Code) and for such other and further
9 relief as may be proper under other applicable provisions of law.

10 Dated at Los Angeles, California

11 this 3 day of August, 2009.

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15 ROBIN L. TRUJILLO
16 Deputy Real Estate Commissioner
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25 cc: JHCN Enterprise, Inc.
26 John B. Spear
27 Jerome Fard Nalbandian
Robin L. Trujillo
Sacto.
Garen Megian
Phillip Ihde