

1 Department of Real Estate
2 320 West 4th Street, Ste. 350
3 Los Angeles, California 90013-1105
4 Telephone: (213) 576-6982

FILED

MAY 25 2012

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-37480 LA
12)
13 LEADERSHIP GROUP INC. doing business as)
14 LR Financial Consulting; DONALD GRANT CHERRY,)
15 individually and as designated officer of Leadership Group)
16 Inc., and LUIS RAUL SANCHEZ,)
Respondents.)

STIPULATION
AND
AGREEMENT

17 It is hereby stipulated by and between Respondents LEADERSHIP GROUP INC.,
18 DONALD GRANT CHERRY, individually and as designated officer of Leadership Group Inc.,
19 and LUIS RAUL SANCHEZ (sometimes collectively referred to as "Respondents"), represented
20 by Kelly A. Neavel, Esq. and the Complainant, acting by and through Elliott Mac Lennan,
21 Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of
22 the Accusation ("Accusation") filed on August 26, 2011, in this matter:

23 1. All issues which were to be contested and all evidence which was to be
24 presented by Complainant and Respondents at a formal hearing on the Accusation, which hearing
25 was to be held in accordance with the provisions of the Administrative Procedure Act ("APA"),
26 shall instead and in place thereof be submitted solely on the basis of the provisions of this
27 Stipulation and Agreement ("Stipulation").

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

4 3. Respondents timely filed a Notice of Defense pursuant to Section 11506 of the
5 Government Code for the purpose of requesting a hearing on the allegations in the Accusation.
6 Respondents hereby freely and voluntarily withdraw said Notice of Defense. Respondents
7 acknowledge that they understand that by withdrawing said Notice of Defense they thereby waive
8 their right to require the Commissioner to prove the allegations in the Accusation at a contested
9 hearing held in accordance with the provisions of the APA and that they will waive other rights
10 afforded to them in connection with the hearing such as the right to present evidence in their
11 defense and the right to cross-examine witnesses.

12 4. This Stipulation is based on the factual allegations contained in the Accusation.
13 In the interest of expedience and economy, Respondents choose not to contest these allegations,
14 but to remain silent and understand that, as a result thereof, these factual allegations, without
15 being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to
16 herein. The Real Estate Commissioner shall not be required to provide further evidence to prove
17 said factual allegations.

18 5. This Stipulation is made for the purpose of reaching an agreed disposition of
19 this proceeding and is expressly limited to this proceeding and any other proceeding or case in
20 which the Department of Real Estate ("Department"), the state or federal government, or any
21 agency of this state, another state or federal government is involved.

22 6. It is understood by the parties that the Real Estate Commissioner may adopt
23 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on
24 Respondents' real estate licenses and license rights as set forth in the "Order" herein below. In
25 the event that the Commissioner in the Commissioner's discretion does not adopt the Stipulation,
26 it shall be void and of no effect and Respondents shall retain the right to a hearing and
27 proceeding on the Accusation under the provisions of the APA and shall not be bound by any

1 stipulation or waiver made herein.

2 7. The Order or any subsequent Order of the Real Estate Commissioner made
3 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further
4 administrative or civil proceedings by the Department of Real Estate with respect to any matters
5 which were not specifically alleged to be causes for Accusation in this proceeding but do
6 constitute a bar, estoppel and merger as to any allegations actually contained in the Accusations
7 against Respondent herein.

8 DETERMINATION OF ISSUES

9 By reason of the foregoing, it is stipulated and agreed that the following
10 determination of issues shall be made:

11 I.

12 The conduct, acts or omissions of LEADERSHIP GROUP INC., as described in
13 Paragraph 4, herein above, are in violation of Section 10130, 10137 and 10161.8 of the Business
14 and Professions Code ("Code") and Section 2726 of Title 10, Chapter 6 of the California Code of
15 Regulations ("Regulations") and is a basis for discipline of Respondent's license and license
16 rights as violation of the Real Estate Law pursuant to Code Section 10177(d).

17 II.

18 The conduct, acts or omissions of DONALD GRANT CHERRY, as described in
19 Paragraph 4, herein above, are in violation of Code Section 10159.2 and Regulation 2725, and is
20 a basis for discipline of Respondent's license and license rights as violation of the Real Estate
21 Law pursuant to Code Section 10177(h).

22 III.

23 The conduct, acts or omissions of LUIS RAUL SANCHEZ, as described in
24 Paragraph 4, herein above, are in violation of Code Section 10130 and is a basis for discipline of
25 Respondent's license and license rights as violation of the Real Estate Law pursuant to Code
26 Section 10177(d).

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ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

All licenses and licensing rights of Respondents LEADERSHIP GROUP INC. , DONALD GRANT CHERRY and LUIS RAUL SANCHEZ, under the Real Estate Law are suspended for a period of sixty (60) days from the effective date of this Decision:

A. Provided, however, that if Respondents request, the initial thirty (30) days of said suspension (or a portion thereof) shall be stayed upon condition that:

1. Each Respondent pays a monetary penalty pursuant to Section 10175.2 of the Business and Professions Code at the rate of \$50.00 per day for each day of the suspension for a monetary penalty of \$1,500, for each Respondent.

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

3. No further cause for disciplinary action against the real estate license of a Respondent occurs within two (2) years from the effective date of the Decision in this matter.

4. If a Respondent fails to pay the monetary penalty in accordance with the terms of the Decision, the Commissioner may, without a hearing, order the immediate execution of all or any part of the stayed suspension, in which event the Respondent shall not be entitled to any repayment nor credit, prorated or otherwise, for money paid to the Department under the terms of this Decision.

5. If a Respondent pays the monetary penalty and if no further cause for disciplinary action against the real estate license of the Respondent occurs within two (2) years from the effective date of the Decision, the stay hereby granted shall become permanent.

B. The remaining thirty (30) days of the sixty (60) day suspension shall be stayed for two (2) years upon the following terms and conditions:

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

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

II.

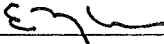
Respondents DONALD GRANT CHERRY and LUIS RAUL SANCHEZ, shall
within six (6) months from the effective date of the Decision herein, take and pass the
Professional Responsibility Examination administered by the Department including the payment
of the appropriate examination fee. If a Respondent fails to satisfy this condition, the
Commissioner may order suspension of Respondent's license until Respondent passes the
examination. The Commissioner shall afford Respondent the opportunity for a hearing pursuant
to the Administrative Procedure Act to present such evidence.

III.

Respondents DONALD GRANT CHERRY and LUIS RAUL SANCHEZ shall,
within nine (9) months from the effective date of this Decision, present evidence satisfactory to
the Real Estate Commissioner that Respondent has, since the most recent issuance of an original
or renewal real estate license, taken and successfully completed the continuing education
requirements of Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate
license. If a Respondent fails to satisfy this condition, the Commissioner may order the
suspension of Respondent's license until Respondent presents such evidence. The Commissioner

1 shall afford Respondent the opportunity for a hearing pursuant to the Administrative Procedure
2 Act to present such evidence.

3
4 DATED: 4-3-12


5 ELLIOTT MAC LENNAN, Counsel for
6 Department of Real Estate

7 * * *

8 EXECUTION OF THE STIPULATION

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

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1 MAILING AND FACSIMILE


2 Respondents (1) shall mail the original signed signature page of the stipulation
3 herein to Elliott Mac Lennan: Attention: Legal Section, Department of Real Estate, 320 W.
4 Fourth St., Suite 350, Los Angeles, California 90013-1105. Respondents shall also (2) facsimile
5 a copy of signed signature page, to the Department at the following telephone/fax number: (213)
6 576-6917, Attention: Elliott Mac Lennan.

7 A facsimile constitutes acceptance and approval of the terms and conditions of
8 this stipulation. Respondents agree, acknowledge and understand that by electronically sending
9 to the Department a facsimile copy of Respondents' actual signature as it appears on the
10 stipulation that receipt of the facsimile copy by the Department shall be as binding on
11 Respondents as if the Department had received the original signed stipulation.


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13 DATED: 4-9-12
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LEADERSHIP GROUP INC., Respondent
By: DONALD GRANT CHERRY, as designated
officer


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17 DATED: 4-9-12
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DONALD GRANT CHERRY, Respondent,
Individually and as designated officer

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20
21 DATED: 4-9-12
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LUIS RAUL SANCHEZ, Respondent,

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24 DATED: 4-12-12
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KELLY A. NEAVEL, ESQ.
Attorney for Respondents

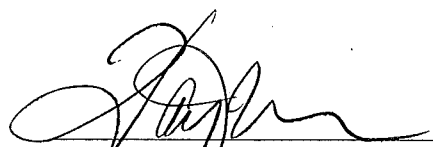
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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondents LEADERSHIP GROUP INC., DONALD GRANT CHERRY and LUIS RAUL SANCHEZ, and shall become effective at 12 o'clock noon on June 14, 2012.

IT IS SO ORDERED. May 18, 2012.

REAL ESTATE COMMISSIONER



By WAYNE S. BELL
Chief Counsel