

1 Bureau of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, CA 90013-1105
4 Telephone:(213) 576-6982

FILED

MAY 04 2015

BUREAU OF REAL ESTATE

By 

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

12 In the Matter of the Accusation

No. H-39338 LA

13 FREEDOM ENTERPRISES INC.;) STIPULATION & AGREEMENT
14 and LOUIS CRUZ, individually,)
15 and as designated officer for)
16 Freedom Enterprises Inc.,)
17 Respondents.)

18
19 It is hereby stipulated by and between FREEDOM ENTERPRISES INC.,
20 ('FREEDOM") and LOUIS CRUZ ("CRUZ") (sometimes collectively referred to as
21 "Respondents") and their attorney of record, Frank Buda, Esq., and the Complainant, acting by
22 and through Cheryl D. Keily, Counsel for the Bureau of Real Estate, as follows for the purpose
23 of settling and disposing of the Accusation filed on February 27, 2014, in this matter.

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25 1. All issues which were to be contested and all evidence which was to be
26 presented by Complainant and Respondents at a formal hearing on the Accusation, which
27 hearing was to be held in accordance with the provisions of the Administrative Procedure Act

1 (APA), shall instead and in place thereof be submitted solely on the basis of the provisions of
2 this Stipulation and Agreement.

3 2. Respondents have received, read and understand the Statement to Respondent,
4 the Discovery Provisions of the APA and the Accusation filed by the Bureau of Real Estate
5 (“Bureau”) in this proceeding.

6 3. On March 10, 2014, Respondents filed Notices of Defense, pursuant to
7 Section 11506 of the Government Code for the purpose of requesting a hearing on the
8 allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said Notices
9 of Defense. Respondents acknowledges that they understand that by withdrawing said Notice
10 of Defense they will thereby waive their right to require the Commissioner to prove the
11 allegations in the Accusation at a contested hearing held in accordance with the provisions of
12 the APA and that they will waive other rights afforded to them in connection with the hearing,
13 such as the right to present evidence in defense of the allegations in the Accusation and the right
14 to cross-examine witnesses.

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

22 5. This Stipulation is based on the factual allegations contained in the
23 Accusation. In the interest of expedience and economy, Respondents choose not to contest
24 these allegations, but to remain silent and understand that, as a result thereof, these factual
25

1 allegations, without being admitted or denied, will serve as a prima facie basis for the
2 disciplinary action stipulated to herein. The Real Estate Commissioner shall not be required to
3 provide further evidence to prove said factual allegations.
4

5 6. This Stipulation and Respondent's decision not to contest the Accusation are
6 made for the purpose of reaching an agreed disposition of this proceeding, and are expressly
7 limited to this proceeding and any other proceeding or case in which the Bureau of Real Estate,
8 or another licensing agency of this state, another state or the federal government is involved
9 and otherwise shall not be admissible in any other criminal or civil proceedings.

10 7. The Order or any subsequent Order of the Real Estate Commissioner made
11 pursuant to this Stipulation and Agreement shall not constitute an estoppel, merger or bar to any
12 further administrative or civil proceedings by the Bureau of Real Estate with respect to any
13 matters which were not specifically alleged to be causes for accusation in this proceeding.
14

15 8. Respondents have received, read and understand the "Notice Concerning
16 Costs of Audits." Respondents further understand that by agreeing to this Stipulation and
17 Agreement, the findings set forth below in the Determinations of Issues become final, and that
18 the Commissioner may charge Respondents for the costs of the audit which lead to the
19 disciplinary action, and a subsequent audit conducted pursuant to Section 10148 of the Business
20 and Professions Code ("Code") to determine if the violations have been corrected. The cost of
21 the audit which led to the disciplinary action is \$6,705.56. The maximum cost of a subsequent
22 audit will not exceed \$6,705.56. Total audit costs will not exceed \$13,411.12.
23

24 9. Respondents understand that by agreeing to this Stipulation, Respondents
25 agree to pay, pursuant to Code Section 10106, the Commissioner's cost for the investigation
26 and enforcement of this matter. The amount of said cost for investigation is \$1,628.95 and for
27 enforcement is \$867.75 for a total of \$2,496.70.

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DETERMINATION OF ISSUES

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

The conduct of Respondents FREEDOM and CRUZ is in violation of Code Section 10145, and Sections 2831, 2831.1, 2832 of Title 10, Chapter 6 of the California Code of Regulations (“Regulations”), and is grounds for the suspension or revocation of all of the real estate licenses and license rights of Respondents FREEDOM and CRUZ. The conduct of Respondent CRUZ is additionally in violation of Section 10159.2 [negligent supervision], and Section 2725 of the Regulations, which is further grounds for the suspension or revocation of all the real estate licenses and license rights of Respondent CRUZ.

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I. All licenses and license rights of Respondents FREEDOM ENTERPRISES INC. and LOUIS CRUZ 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 Code at the rate of \$30 per day each for each day of their suspension for a total combined monetary penalty of \$1,800.

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

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

3 4. If Respondents, or either of them, fails to pay the monetary penalty in
4 accordance with the terms of the Decision, the Commissioner shall, without a hearing, order the
5 immediate execution of all or any part of the stayed suspension, in which event the
6 Respondent(s) shall not be entitled to any repayment or credit, prorated or otherwise, for money
7 paid to the Bureau under the terms of this Decision.

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

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

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

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

21 C. Pursuant to Section 10148 of the Code, Respondent FREEDOM
22 ENTERPRISES INC. and Respondent LOUIS CRUZ shall pay the Commissioner's
23 reasonable cost for (a) the audit which led to the disciplinary action, and (b) a subsequent audit
24 to determine if Respondents have corrected the trust fund violations found in the Determination
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1 of Issues. The cost of the audit which led to the disciplinary action is \$6,705.56. The maximum
2 cost of a subsequent audit will not exceed \$6,705.56. Total audit costs will not exceed
3 \$13,411.12. In calculating the amount of the Commissioner' reasonable cost, the Commissioner
4 may use the estimated average hourly salary for all persons performing audits of real estate
5 brokers, and shall include an allocation for travel time to and from the auditor's place of work.
6 Respondents shall pay such cost within 60 days of receiving an invoice from the Commissioner
7 detailing the activities performed during the audit and the amount of time spent performing
8 those activities. The Commissioner may suspend Respondents' licenses pending a hearing held
9 in accordance with Section 11500, et seq., of the Government Code, if payment is not timely
10 made as provided for herein, or as provided for in a subsequent agreement between
11 Respondents and the Commissioner. The suspension shall remain in effect until payment is
12 made in full or until Respondents enter into an agreement satisfactory to the Commissioner to
13 provide for payment, or until a decision providing otherwise is adopted following a hearing held
14 pursuant to this condition.
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16
17 D. Pursuant to Code Section 10106, Respondents FREEDOM ENTERPRISES
18

19 INC. and LOUIS CRUZ shall pay the Commissioner's reasonable costs for investigation and
20 enforcement of the matter which led to this disciplinary action. The investigation and
21 enforcement cost in this matter is \$2,496.70. Payment of these costs shall be made within sixty
22 (60) days of the effective date of this Decision in the form of a cashier's or certified check to
23 the Consumer Recovery Account of the Bureau of Real Estate.
24

25 The Commissioner shall suspend the license of Respondent(s) pending a hearing
26 held in accordance with California Government Code Section 11500, et seq., if payment is not
27 timely made as provided for herein, or as provided for in a subsequent agreement between the
Respondent(s) and the Commissioner. The suspension shall remain in effect until payment is

1 to provide for payment, or until a decision providing otherwise is adopted following a hearing
2 held pursuant to this condition.

3 DATED: March 16, 2015

4 Cheryl D. Keily
5 CHERYL D. KEILY, Counsel
6 BUREAU OF REAL ESTATE

7 * * *

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

15 Respondents can signify acceptance and approval of the terms and conditions of
16 this Stipulation and Agreement by faxing a copy of the signature page, as actually signed by
17 Respondents, to the Bureau at the following telephone/fax number (213) 576-6917.
18 Respondent agrees, acknowledges, and understands that by electronically sending to the Bureau
19 a fax copy of his actual signature as it appears on the Stipulation and Agreement, that receipt of
20 the faxed copy by the Bureau shall be as binding on Respondent as if the Bureau had received
21 the original signed Stipulation and Agreement.
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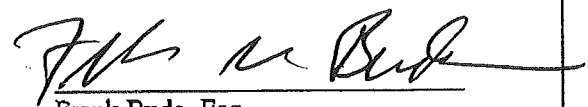
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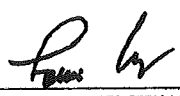
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I have reviewed the Stipulation and Agreement as to form and content and have advised my clients accordingly.


DATED: 3-16-15


Frank Buda, Esq.
Attorney for Respondents
FREEDOM ENTERPRISES INC.
LOUIS CRUZ

DATED: 3-16-2015

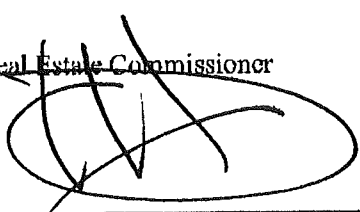

FREEDOM ENTERPRISES INC.
By: Louis Cruz

DATED: 3-16-2015


LOUIS CRUZ

The foregoing Stipulation and Agreement is hereby adopted as my Decision in this matter and shall become effective at 12 o'clock noon on MAY 26, 2015.

IT IS SO ORDERED APRIL 22, 2015.

Real Estate Commissioner

By: JEFFREY MASON
Chief Deputy Commissioner