

1 DEPARTMENT OF REAL ESTATE
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013-1105
4 Telephone: (213) 620-2072

FILED

MAR 16 2021

DEPT. OF REAL ESTATE
By *[Signature]*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation against

12 ASSOCIATED REALTY SERVICE OF
13 NEWPORT BEACH, INC.;

14 JEANNIE CRUZ MADALI, individually and as
former designated officer for Associated Realty
Service of Newport Beach, Inc.; and

15 JAMES ALAN JACOBS, individually and as
16 former designated officer for Associated Realty
Service of Newport Beach, Inc.,

17 Respondents.

DRE No. H-41658 LA
OAH No. 2020080594

STIPULATION AND
AGREEMENT IN SETTLEMENT
AND ORDER
AS TO RESPONDENT
JEANNIE CRUZ MADALI

19 It is hereby stipulated by and between Respondent Jeannie Cruz Madali ("Respondent"),
20 Respondent is representing herself in the above-referenced matter, and the Complainant, acting
21 by and through Lissete Garcia, Counsel for the Department of Real Estate ("Department"), as
22 follows for the purpose of settling and disposing the Accusation filed on May 7, 2020, with
23 Department Case No. H-41658 LA ("Accusation") in this matter:

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Stipulation and Agreement
H-41658 LA

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

6 2. Respondent has received, read, and understands the Statement to Respondent, the
7 Discovery Provisions of the APA, and Accusation filed by the Department in this proceeding.

8 3. Respondent filed a Notice of Defense pursuant to Section 11506 of the
9 Government Code for the purpose of requesting a hearing on the allegations in the Accusation.
10 Respondent hereby freely and voluntarily withdraws said Notice of Defense. Respondent
11 acknowledges and understands that by withdrawing said Notice of Defense, Respondent will
12 thereby waive Respondent's rights to require the Real Estate Commissioner ("Commissioner") to
13 prove the allegations in the Accusation at a contested hearing held in accordance with the
14 provisions of the APA and that Respondent will waive other rights afforded to Respondent in
15 connection with the hearing such as the right to present evidence in defense of the allegations in
16 the Accusation and the right to cross-examine witnesses.

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

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1 5. This Stipulation and Respondent's decision not to contest the Accusation are
2 made for the purpose of reaching an agreed disposition of this proceeding and are expressly
3 limited to this proceeding and any other proceeding or case in which the Department, or another
4 licensing agency of this state, another state or if the federal government is involved and
5 otherwise shall not be admissible in any other criminal or civil proceedings.

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

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

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1 DETERMINATION OF ISSUES

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

5 I.

6 The conduct, acts and/or omissions of Respondent JEANNIE CRUZ MADALI as set
7 forth herein above in Paragraph 4, constitute cause for the suspension or revocation of all real
8 estate licenses and license rights of Respondent JEANNIE CRUZ MADALI pursuant to the
9 provisions of Code section 10177, subdivisions (g) and (h), for violation of Code section 10159.2
10 and Regulation 2725.

11 ORDER

12 I.

13 All licenses and licensing rights of Respondent JEANNIE CRUZ MADALI under the
14 Real Estate Law are revoked; provided, however, a restricted real estate salesperson license shall
15 be issued to Respondent JEANNIE CRUZ MADALI (pursuant to Section 10156.5 of the Code if
16 Respondent makes application therefor and pays to the Department the appropriate fee for the
17 restricted license within 90 days from the effective date of this Decision and Order. The
18 restricted license issued to Respondent JEANNIE CRUZ MADALI shall be subject to all of the
19 provisions of Section 10156.7 of the Code and to the following limitations, conditions and
20 restrictions imposed under authority of Section 10156.6 of that Code:

21 1. The restricted license issued to Respondent may be suspended prior to hearing by
22 Order of the Real Estate Commissioner in the event of Respondent's conviction or plea
23 of nolo contendere to a crime which is substantially related to Respondent's fitness or capacity as
24 a real estate licensee.

1 2. The restricted license may be suspended prior to hearing by Order of the Real
2 Estate Commissioner on evidence satisfactory to the Commissioner that Respondent has violated
3 provisions of the California Real Estate Law, the Subdivided Lands Law, Regulations of the Real
4 Estate Commissioner or conditions attaching to said restricted license.

5 3. Respondent shall not be eligible for the issuance of any unrestricted real estate
6 license nor for the removal of any of the conditions, limitations or restrictions of the restricted
7 license until at least two (2) years have elapsed from the effective date of this Decision.
8 Respondent shall not be eligible to apply for any unrestricted licenses until all restrictions
9 attaching to the license have been removed.

10 4. Respondent shall submit with any application for license under an employing
11 broker, or any application for transfer to a new employing broker, a statement signed by the
12 prospective employing real estate broker on a form approved by the Bureau of Real Estate which
13 shall certify:

14 (a) That the employing broker has read the Decision of the Commissioner which
15 granted the right to a restricted license; and

16 (b) That the employing broker will exercise close supervision over the
17 performance by the restricted licensee relating to activities for which a real estate license is
18 required.

19 5. Respondent JEANNIE CRUZ MADALI is severally liable to pay a proportionate
20 share of the total sum for the Commissioner's reasonable costs of the investigation and
21 enforcement which led to this disciplinary action. Respondent JEANNIE CRUZ MADALI shall
22 pay the sum of \$1,970.33 for her pro rata share of the Commissioner's reasonable costs of the
23 investigation and enforcement which led to this disciplinary action. Said payment shall be in the
24 form of a cashier's check made payable to the Department of Real Estate. **The investigative**

1 **and enforcement costs must be delivered to the Department of Real Estate, Flag Section at**
2 **P.O. Box 137013, Sacramento, CA 95813-7013, within 180 days of the effective date.**

3 **Payment of investigation and enforcement costs should not be made until the Stipulation**
4 **has been approved by the Commissioner.** If Respondent JEANNIE CRUZ MADALI fails to
5 satisfy this condition in a timely manner as provided for herein, Respondent JEANNIE CRUZ
6 MADALI's real estate licenses shall automatically be suspended until payment is made in full, or
7 until a decision providing otherwise is adopted following a hearing held pursuant to this
8 condition.

9 6. Pursuant to Section 10148 of the Code, Respondent JEANNIE CRUZ MADALI
10 will pay a proportionate share of the total sum for the Commissioner's reasonable costs of the
11 audit which led to this disciplinary action. Respondent JEANNIE CRUZ MADALI is severally
12 liable to pay the sum of \$5,125.50 for her pro rata share of the Commissioner's cost of the audit
13 which led to this disciplinary action. **Respondent JEANNIE CRUZ MADALI shall pay such**
14 **cost within one-hundred and twenty (120) days of receiving an invoice therefore from the**
15 **Commissioner. Payment of audit costs should not be made until Respondent receives the**
16 **invoice.** If Respondent JEANNIE CRUZ MADALI fails to satisfy this condition in a timely
17 manner as provided for herein, Respondent JEANNIE CRUZ MADALI's real estate licenses
18 shall automatically be suspended until payment is made in full, or until a decision providing
19 otherwise is adopted following a hearing held pursuant to this condition.


20 7. Respondent JEANNIE CRUZ MADALI shall, **within nine (9) months from the**
21 **effective date of this Decision and Order,** present evidence satisfactory to the Commissioner
22 that Respondent has, since the most recent issuance of an original or renewal real estate license,
23 taken and successfully completed the continuing education requirements of Article 2.5 of
24 Chapter 3 of the Real Estate Law for renewal of a real estate license. The continuing education

1 courses must include the course on trust fund accounting and handling specified in paragraph (3)
2 of subdivision (a) of Section 10170.5 of the Business and Professions Code. Proof of
3 satisfaction of these requirements includes evidence that Respondent has successfully completed
4 the trust fund account and handling continuing education courses, no earlier than 120 days prior
5 to the effective date of the Decision and Order in this matter. If Respondent JEANNIE CRUZ
6 MADALI fails to satisfy this condition, Respondent's real estate license shall automatically be
7 suspended until Respondent presents evidence satisfactory to the Commissioner of having taken
8 and successfully completed the continuing education requirements. **Proof of completion of the**
9 **continuing education courses must be delivered to the Department of Real Estate, Flag**
10 **Section at P.O. Box 137013, Sacramento, CA 95813-7013.**

11 8. Respondent JEANNIE CRUZ MADALI shall, within twelve (12) months from
12 the effective date of this Decision and Order, take and pass the Professional Responsibility
13 Examination administered by the Department including the payment of the appropriate
14 examination fee. If Respondent JEANNIE CRUZ MADALI fails to satisfy this condition,
15 Respondent's real estate license shall automatically be suspended until Respondent passes the
16 examination.

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19 DATED: 1/5/2021



Lissete Garcia, Counsel
Department of Real Estate

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2 I have read this Stipulation and its terms are understood by me and are agreeable and
3 acceptable to me. I understand that I am waiving rights given to me by the California APA
4 (including, but not limited to, Sections 11506, 11508, 11509, and 11513 of the Government
5 Code), and I willingly, intelligently, and voluntarily waive those rights, including the right of
6 requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I
7 would have the right to cross-examine witnesses against me and to present evidence in defense
8 and mitigation of the charges.


9 Respondent can signify acceptance and approval of the terms and conditions of this
10 Stipulation and Agreement by electronically e-mailing a copy of the signature page, as actually
11 signed by Respondent, to the Department. Respondent agrees, acknowledges, and understands
12 that by electronically sending to the Department an electronic copy of Respondent's actual
13 signatures, as it appears on the Stipulation that receipt of the emailed copy by the Department
14 shall be as binding on Respondent as if the Department had received the original signed
15 Stipulation. By signing this Stipulation, Respondent understands and agrees that Respondent
16 may not withdraw Respondent's agreement or seek to rescind the Stipulation prior to the time the
17 Commissioner considers and acts upon it or prior to the effective date of the Stipulation and
18 Order.

19 MAILING

20 Respondent shall, within five (5) business days from signing the Stipulation, mail the
21 original signed signature page(s) of the Stipulation herein to Lissete Garcia, Attention: Legal
22 Section, Department of Real Estate, 320 W. Fourth St., Room 350, Los Angeles, California
23 90013-1105.

1 Respondent's signature below constitutes acceptance and approval of the terms and
2 conditions of this Stipulation. Respondent agrees, acknowledges, and understands that by
3 signing this Stipulation, Respondent is bound by its terms as of the date of such signature and
4 that this agreement is not subject to rescission or amendment at a later date except by a separate
5 Decision and Order of the Real Estate Commissioner.

6 DATED: 01/04/2020

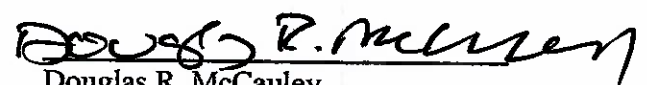

Respondent JEANNIE CRUZ MADALI

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9 The foregoing Stipulation and Agreement in Settlement and Order is hereby adopted by
10 me as my Decision in this matter and shall become effective at 12 o'clock noon
11 on 4/15/2021

12 IT IS SO ORDERED 2-12-21

14 REAL ESTATE COMMISSIONER

16 
17 Douglas R. McCauley