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

FILED
MAR 16 2021
DEPT. OF REAL ESTATE
By *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation against

ASSOCIATED REALTY SERVICE OF NEWPORT
BEACH, INC.;

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

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

Respondents.

DRE No. H-41658 LA
OAH No. 2020080594

**STIPULATION AND
AGREEMENT IN
SETTLEMENT AND ORDER
AS TO RESPONDENT
JAMES ALAN JACOBS**

It is hereby stipulated by and between Respondent James Alan Jacobs ("Respondent"), Respondent is represented by attorney J. Scott Russo, and the Complainant, acting by and through Lissete Garcia, Counsel for the Department of Real Estate ("Department"), as follows for the purpose of settling and disposing the Accusation filed on May 7, 2020, with Department Case No. H-41658 LA ("Accusation") in this matter:

1. All issues which were to be contested and all evidence which was to be presented

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

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

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

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

22 5. This Stipulation and Respondent's decision not to contest the Accusation are
23 made for the purpose of reaching an agreed disposition of this proceeding and are expressly
24 limited to this proceeding and any other proceeding or case in which the Department, or another

1 licensing agency of this state, another state or if the federal government is involved and
2 otherwise shall not be admissible in any other criminal or civil proceedings.

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

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 Department of Real Estate with respect to any
13 matters which were not specifically alleged to be causes for accusation in this proceeding.

14 DETERMINATION OF ISSUES

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

18 I.

19 The conduct, acts and/or omissions of Respondent JAMES ALAN JACOBS as set forth
20 herein above in Paragraph 4, constitute cause for the suspension or revocation of all real estate
21 licenses and license rights of Respondent JAMES ALAN JACOBS pursuant to the provisions of
22 Code section 10177, subdivisions (g) and (h), for violation of Code section 10159.2 and
23 Regulation 2725.

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ORDER

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

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

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

3. Respondent shall not act as a designated officer for any real estate corporation unless Respondent provides proof of ownership interest in the real estate corporation to the Commissioner.

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1 4. Respondent shall not be eligible to petition for the issuance of any unrestricted
2 real estate license nor for removal of any of the conditions, limitations or restrictions of a
3 restricted license until two (2) years have elapsed from the effective date of this Decision and
4 Order. Respondent shall not be eligible to apply for any unrestricted licenses until all restrictions
5 attaching to the license have been removed.

6 5. Respondent JAMES ALAN JACOBS shall, **within thirty (30) days from the**
7 **effective date of this Decision and Order** present evidence satisfactory to the Commissioner
8 that Respondent has taken and successfully completed the continuing education course on trust
9 fund accounting and handling specified in paragraph (3) of subdivision (a) of Section 10170.5 of
10 the Business and Professions Code. Proof of satisfaction of this requirement includes evidence
11 that Respondent has successfully completed the trust fund account and handling continuing
12 education course, no earlier than 120 days prior to the effective date of the Decision and Order in
13 this matter. **Proof of completion of the trust fund accounting and handling course must be**
14 **delivered to the Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento,**
15 **CA 95813-7013 or by fax at 916-263-8758, within 30 days of the effective date of this**
16 **Decision and Order.** If Respondent fails to satisfy this condition, Respondent's real estate
17 license shall automatically be suspended until Respondent presents evidence satisfactory to the
18 Commissioner of having taken and successfully completed the course requirement.

19 6. Respondent JAMES ALAN JACOBS 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 JAMES ALAN JACOBS shall
22 pay the sum of \$1,970.33 for his 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 JAMES ALAN JACOBS fails to
5 satisfy this condition in a timely manner as provided for herein, Respondent JAMES ALAN
6 JACOBS' 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 7. Pursuant to Section 10148 of the Code, Respondent JAMES ALAN JACOBS will
10 pay a proportionate share of the total sum for the Commissioner's reasonable costs of the audit
11 which led to this disciplinary action. Respondent JAMES ALAN JACOBS is severally liable to
12 pay the sum of \$905.00 for his pro rata share of the Commissioner's cost of the audit which led
13 to this disciplinary action. **Respondent JAMES ALAN JACOBS shall pay such cost within**
14 **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 JAMES ALAN JACOBS fails to satisfy this condition in a timely
17 manner as provided for herein, Respondent JAMES ALAN JACOBS' real estate licenses shall
18 automatically be suspended until payment is made in full, or until a decision providing otherwise
19 is adopted following a hearing held pursuant to this condition.

20 8. Respondent JAMES ALAN JACOBS shall, within twelve (12) months from the
21 effective date of this Decision and Order, take and pass the Professional Responsibility
22 Examination administered by the Department including the payment of the appropriate
23 examination fee. If Respondent JAMES ALAN JACOBS fails to satisfy this condition,
24 Respondent's real estate license shall automatically be suspended until Respondent passes the

1 examination.

2 * * *

3 DATED: Dec. 29, 2020


Lissete Garcia, Counsel
Department of Real Estate

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

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

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MAILING

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

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

DATED: 12/23/2020

James Alan Jacobs
Respondent JAMES ALAN JACOBS

DATED: 12/23/2020

J. Scott Russo
J. Scott Russo, Esq., Counsel for Respondent James Alan Jacobs, *Approved as to Form*

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

IT IS SO ORDERED 2-12-21

REAL ESTATE COMMISSIONER

Douglas R. McCauley
Douglas R. McCauley