Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, CA 90013-1105

Telephone: (213) 576-6982

FILED

APR 6 2010

DEPARTMENT OF REAL ESTATE
BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of JC LENDING INC., and JULIO CESAR HERNANDEZ, individually, and as designated officer for JC Lending Inc., Respondents.	No. H-36225 LA L-2009101364 STIPULATION & AGREEMENT

It is hereby stipulated by and between JULIO CESAR HERNANDEZ ("HERNANDEZ"), individually, and as designated officer for JC Lending Inc., and the Complainant, acting by and through Cheryl Keily, Counsel for the Department of Real Estate ("Department"), as follows for the purpose of settling and disposing of the Accusation (the "Accusation") filed on September 3, 2009.

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

at a formal hearing on the Accusation, which hearing was to be held in accordance with the provisions of the Administrative Procedure Act ("APA"), shall instead and in place thereof be submitted solely on the basis of the provisions of this Stipulation and Agreement.

2. HERNANDEZ has been served with, read and understands the Statement to Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate in this proceeding.

3. On September 29, 2009, HERNANDEZ filed a Notice of Defense pursuant to section 11505 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. HERNANDEZ hereby freely and voluntarily withdraws said Notice of Defense. HERNANDEZ acknowledges that he understands that by withdrawing said Notice of Defense he will thereby waive his right to require the Commissioner to prove the allegations in the Accusation at a contested hearing held in accordance with the provisions of the APA, and that HERNANDEZ will waive other rights afforded to him in connection with the hearing, such as the right to present evidence in defense of the allegations in the Accusation and the right to cross-examine witnesses.

4. This Stipulation and Agreement is based on the factual allegations contained in the Accusation filed in this

proceeding. In the interest of expedience and economy HERNANDEZ chooses not to contest these factual allegations, but to remain silent and understands that, as a result thereof, these factual statements, without being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to herein.

5. This Stipulation and Agreement and HERNANDEZ's decision not to contest the Accusation are hereby expressly limited to this proceeding and made for the sole purpose of reaching an agreed disposition of this proceeding. HERNANDEZ's decision not to contest the factual allegations is made solely for the purpose of effectuating this Stipulation and Agreement and is intended by HERNANDEZ to be non-binding upon him in any actions against him by third parties. The Real Estate Commissioner shall not be required to provide further evidence to prove such allegations.

6. It is understood by the parties that the Real Estate Commissioner may adopt the Stipulation and Agreement as his decision in this matter as set forth in the below "Order". In the event that the Commissioner in his discretion does not adopt the Stipulation and Agreement, it shall be void and of no effect, and HERNANDEZ shall retain the right to a hearing and proceeding on the Accusation under all the provisions of the

APA and shall not be bound by any admission or waiver made herein.

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

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, acts and/or omissions of HERNANDEZ, set forth in the Accusation, constitute cause under Business and Professions Code (the "Code") Sections 10085, 10159.2, 10165, 10177(d) and 10177(h) for suspension or revocation of HERNANDEZ's license and license rights under the Real Estate Law.

///

///

///

ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I. All licenses and licensing rights of HERNANDEZ under the Real Estate law shall be suspended for a period of one hundred twenty (120) days from the effective date of this Decision.

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

1. Pursuant to Section 10175.2 of the Code at the rate of $300 for each day of the suspension for a total monetary penalty of $9,000 in total.

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 HERNANDEZ occurs within three (3) years from the effective date of the Decision in this matter.

4. If HERNANDEZ fails to pay the monetary penalty in accordance with the terms and conditions 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 HERNANDEZ 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 HERNANDEZ pays the monetary penalty and if no further cause for disciplinary action against the real estate license of HERNANDEZ occurs within three (3) years from the effective date of the Decision, the stay hereby granted shall become permanent.

B. The remaining ninety (90) days of the one hundred twenty (120) day suspension shall be stayed for three (3) years upon the following terms and conditions:

1. HERNANDEZ shall obey all laws, rules and regulations governing the rights, duties and responsibilities of real estate licensees in the State of California.

2. That no final subsequent determination be made, after hearing or upon stipulation, that cause for disciplinary action occurred within three (3) years of 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. Respondent HERNANDEZ shall, within nine (9) months from the effective date of this Decision, present

evidence satisfactory to the Commissioner that Respondent HERNANDEZ has, since the most recent issuance of an original or renewal real estate broker 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 broker license. If Respondent HERNANDEZ fails to satisfy this condition, the Commissioner may order the suspension of the broker license of Respondent HERNANDEZ until Respondent HERNANDEZ presents such evidence. The Commissioner shall afford Respondent HERNANDEZ the opportunity for a hearing pursuant to the APA to present such evidence.

DATED: March 15, 2010

CHERYL KEILY, Counsel
DEPARTMENT OF REAL ESTATE

* * *

I have read the Stipulation and Agreement, and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly, intelligently and voluntarily waive those rights, including the right of requiring the Commissioner to prove the findings in the Accusation at a hearing at which I would have the right to

cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

Respondent JULIO CESAR HERNANDEZ can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by faxing a copy of its signature page, as actually signed by Respondent, to the Department at the following telephone/fax number (213) 576-6917. Respondent JULIO CESAR HERNANDEZ agrees, acknowledges, and understands that by electronically sending to the Department a fax copy of the actual signature as it appears on the Stipulation and Agreement, that receipt of the faxed copy by the Department shall be as binding on him as if the Department had received the original signed Stipulation and Agreement.

DATED: 3/5/10

JULIO CESAR HERNANDEZ

///

///

///

///

///

///

///

///

ORDER PURSUANT TO STIPULATION AND AGREEMENT

The foregoing Stipulation and Agreement is hereby adopted by me as my Decision in this matter as to JULIO CESAR HERNANDEZ, and shall become effective on APR 26 2010.

IS IT SO ORDERED 3/29/, 2010.

JEFF DAVI
Real Estate Commissioner

FILED

APR 6 2010

DEPARTMENT OF REAL ESTATE

BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of JC LENDING INC., and JULIO CESAR HERNANDEZ, individually, and as designated officer of JC Lending Inc., Respondent(s).	No. H-36225 LA L-2009101364

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On September 3, 2009, an Accusation was filed in this matter against Respondent JC LENDING INC.

On March 5, 2010, Respondent petitioned the Commissioner to voluntarily surrender its real estate license(s) pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent JC LENDING INC.'s petition for voluntary surrender of its real estate license(s) is accepted as of the effective date of this Order as set forth below, based upon the understanding and agreement expressed in Respondent's Declaration dated March 5, 2010 (attached as Exhibit "A" hereto). Respondent's license certificate(s), pocket card(s)

and any branch office license certificate(s) shall be sent to the below listed address so that they reach the Department on or before the effective date of this Order:

DEPARTMENT OF REAL ESTATE
Attn: Licensing Flag Section
P. O. Box 187000
Sacramento, CA 95818-7000

This Order shall become effective at 12 o'clock noon on APR 26 2010, 2010.

DATED: 3/29, 2010

JEFF DAVI
Real Estate Commissioner

Exhibit "A"

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of JC LENDING INC., and JULIO CESAR HERNANDEZ, individually, and as designated officer of JC Lending Inc., Respondents.	No. H-36225 LA

DECLARATION

My name is Julio Cesar Hernandez. JC LENDING INC. is licensed as a real estate corporation and/or has license rights with respect to said license. I am currently an officer of JC LENDING INC., and am authorized and empowered to sign this declaration on behalf of JC LENDING INC.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Government Code) JC LENDING INC. wishes to voluntarily surrender its real estate license issued by the

Department of Real Estate ("Department"), pursuant to the provisions of Business and Professions Code Section 10100.2.

I understand that JC LENDING INC., by so voluntarily surrendering its license, may be relicensed as a broker only by petitioning for reinstatement pursuant to Section 11522 of the Government Code. I also understand that by so voluntarily surrendering its license, JC LENDING INC. agrees to the following:

1. The filing of this Declaration shall be deemed as the petition of JC LENDING INC. for voluntary surrender.

2. It shall also be deemed to be an understanding and agreement by JC LENDING INC. that it waives all rights it has to require the Commissioner to prove the allegations contained in the Accusation filed in this matter at a hearing held in accordance with the provisions of the Administrative Procedure Act (Government Code Sections 11400 et seq.), and that JC LENDING INC. also waives other rights afforded to it in connection with the hearing such as the right to discovery, the right to present evidence in defense of the allegations in the Accusation and the right to cross-examine witnesses.

3. JC LENDING INC. further agrees that upon acceptance by the Commissioner, as evidenced by an appropriate order, all affidavits and all relevant evidence obtained by the Department in this matter prior to the Commissioner's acceptance, and all allegations contained in the Accusation filed by the Department in Case No. H-36225 LA, may be considered by the Department to be true and correct for the purpose of deciding

whether to grant relicensure or reinstatement of JC LENDING INC.'s license pursuant to Government Code Section 11522.

4. I am acting freely and voluntarily on behalf of JC LENDING INC. to surrender its license and all license rights attached thereto.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

3/5/10
Date and Place

Julio Cesar Hernandez

CHERYL D. KEILY SBN# 94008
Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6982
(Direct) (213) 576-6905

FILED
SEP - 3 2009
DEPARTMENT OF REAL ESTATE
BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of JC LENDING INC., and JULIO CESAR HERNANDEZ, individually, and as designated officer for JC Lending Inc., Respondents.	No. H- 36225 LA A C C U S A T I O N

The Complainant, Joseph Aiu, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against JC LENDING INC. ("Respondent JC LENDING") and JULIO CESAR HERNANDEZ ("Respondent HERNANDEZ"), individually, and as designated broker-officer of JC LENDING, is informed and alleges as follows:

///

///

///

1.

The Complainant, Joseph Aiu, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in his official capacity.

2.

Respondent JC LENDING is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code"), as a real estate corporation acting by and through Respondent HERNANDEZ as its designated broker-officer.

3.

Respondent HERNANDEZ is presently licensed and/or has license rights under the Real Estate Law as a real estate broker and designated broker-officer of Respondent JC LENDING.

4.

All further references to respondents herein include Respondents JC LENDING and HERNANDEZ, and also include officers, directors, employees, agents and real estate licensees employed by or associated with JC LENDING and HERNANDEZ, and who at all times herein mentioned were engaged in the furtherance of the business or operations of Respondents JC LENDING and HERNANDEZ, and who were acting within the course and scope of their authority and employment.

5.

From August 13, 2002, to June 1, 2009, Respondent HERNANDEZ, as the officer designated by Respondent JC LENDING

pursuant to Section 10211 of the Code, was responsible for the supervision and control of the activities conducted on behalf of Respondent JC LENDING by its officers and employees as necessary to secure full compliance with the Real Estate Law as set forth in Section 10159.2 of the Code.

6.

Respondent HERNANDEZ ordered, caused, authorized or participated in the conduct of Respondent JC LENDING, as is alleged in this Accusation.

PRIOR DISCIPLINE

7.

On or about April 24, 2007, in Case No. H-33538 LA, the real estate officer license of Respondent HERNANDEZ was disciplined pursuant to Code Section 10177(g) for violations of Code Sections 10145, 10159.5 and 10176(g) and Sections 2731, 2831, 2832, 2834, 2950(d) and 2950(h) and 2951 of Title 10, Chapter 6, California Code of Regulations ("Regulations"). In addition, the license of Respondent HERNANDEZ was disciplined pursuant to Code Section 10177(d), (g) and (h) for violation of Code Section 10159.2. Discipline was imposed on Respondent HERNANDEZ as follows:

(a) license suspension for a period of ninety days and stayed on terms and conditions;

(b) pay the cost of an audit and subsequent audit to determine compliance with the Real Estate Law;

(c) take and pass Professional Responsibility Examination for Respondent HERNANDEZ; and

(d) take and successfully complete continuing education course on trust fund accounting and handling specified in paragraph 3 of subdivision (a) of Section 10170.5 of the Code for Respondent HERNANDEZ.

FIRST CAUSE OF ACCUSATION
(Advance Fee Violation)

8.

At all times herein mentioned, Respondents JC LENDING and HERNANDEZ engaged in the business of an advance fee brokerage, within the definition of Code Sections 10131.2 and 10131(d), in that, for fees received in advance, as well as at the conclusion of transactions, Respondents performed loan modification services with respect to loans which were secured by liens on real property, including, but not limited to, the following:

a. On or about December 5, 2008, James Juarez paid an advance fee of $4,500 to William Ward on behalf of JC LENDING, doing business under the fictitious business name "All State Foreclosure Solutions." The advance fee was collected pursuant to a written agreement pertaining to loan negotiation and modification services to be provided with respect to a loan secured by the real property located at 8264 Gardenia Vista Drive, Riverside, California 92508.

///

9.

Respondents contracted to collect and/or collected the above described advance fee pursuant to the provisions of a document titled "Homeownership Counseling Acknowledgement," the written agreement described in Paragraph 8a., above. This agreement constitutes an advance fee agreement within the meaning of Code Section 10085.

10.

Respondents failed to submit the written agreement referred to in Paragraphs 7 and 8, above, to the Commissioner ten days before using it in violation of Code Section 10085 and Regulation 2970.

11.

The conduct, acts and/or omissions of Respondents JC LENDING and HERNANDEZ, as set forth above, are cause for the suspension or revocation of the licenses and license rights of Respondent JC LENDING and Respondent HERNANDEZ pursuant to Code Sections 10085, 10177(d) and/or 10177(g).

SECOND CAUSE OF ACCUSATION
(Unlicensed Activity)

12.

Complainant hereby incorporates by reference the allegations set forth in Paragraphs 1 through 11, above.

///

///

///

13.

The activities described in Paragraph 8, above, require a real estate license under Sections 10131(d) and 10131.2 of the Code.

14.

Respondents violated Section 10137 of the Code by employing and/or compensating an individual who was not licensed as a real estate salesperson or as a broker to perform activities requiring a license as follows:

a. Respondents employed and/or compensated William Ward to perform some or all of the services alleged in Paragraph 8, though he was not licensed as a real estate salesperson or broker.

15.

The conduct, acts and/or omissions of Respondents, as set forth in Paragraph 13, above, violate Code Section 10137, and are cause for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Sections 10137, 10177(d) and/or 10177(g).

THIRD CAUSE OF ACCUSATION
(Use of Unauthorized Fictitious Business Name)

16.

Complainant hereby incorporates by reference the allegations set forth in Paragraphs 1 through 15, above.

///

///

17.

Use of a fictitious business name for activities requiring the issuance of a real estate license requires the filing of an application for the use of such name with the Department of Real Estate ("Department") in accordance with the provisions of Code Section 10159.5.

18.

Respondents acted without Department authorization in using the fictitious business name "All State Foreclosure Solutions" to engage in activities requiring the issuance of a real estate license.

19.

The conduct, acts and/or omissions of Respondents, as set forth in Paragraphs 17 and 18, above, violate Code Section 10159.5 and Section 2731 of the Regulations, and are cause for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Sections 10177(d) and/or 10177(g).

FOURTH CAUSE OF ACCUSATION
(Branch Office Violation)

20.

Complainant hereby incorporates by reference the allegations set forth in Paragraphs 1 through 19, above.

21.

Respondents engaged in a real estate brokerage business at 4214 Green River Road, Corona, California 92880, a

location for which Respondents failed to apply for and procure from the Department an additional license for the branch office being maintained by them, in violation of Section 10163 of the Code.

22.

The conduct, acts and/or omissions of Respondents, as set forth in Paragraph 21, above, violate Code Section 10163 and are cause for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Sections 10165, 10177(d) and/or 10177(g).

FIFTH CAUSE OF ACCUSATION
(Failure to Supervise)

23.

Complainant incorporates by reference the allegations contained in Paragraphs 1 through 22, above.

24.

Respondent HERNANDEZ ordered, caused, authorized or participated in the conduct of Respondent JC LENDING, as is alleged in this Accusation.

25.

The conduct, acts and/or omissions, of Respondent HERNANDEZ, in allowing Respondent JC LENDING to violate the Real Estate Law, as set forth above, constitutes a failure by HERNANDEZ, as the officer designated by a corporate broker licensee, to exercise the supervision and control over the activities of JC LENDING, as required by Code Section 10159.2,

and is cause to suspend or revoke the real estate licenses and license rights of Respondent HERNANDEZ under Code Sections 10177(d), 10177(g) and/or 10177(h).

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all the licenses and license rights of Respondent JC LENDING FINANCIAL INC. and Respondent JULIO CESAR HERNANDEZ, individually, and as designated broker-officer of Respondent JC LENDING FINANCIAL INC., under the Real Estate Law, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at San Diego, California

this 18 day of August, 2009.

Joseph Aiu
Deputy Real Estate Commissioner

cc: JC LENDING FINANCIAL INC.
JASON MICHAEL HERNANDEZ
Joseph Aiu
Sacto.