

FILED

JUL - 2 2013

DEPARTMENT OF REAL ESTATE

BY: Jane B. Olson

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)
)
KRYSTAL FINANCE INC.; a California) NO. H-02650 FR
Corporation and LEROY MCGUFFIE) 201120800
PORTER,)
)
Respondents,)

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On July 8, 2011, an Accusation was filed in this matter against Respondents KRYSTAL FINANCE INC. and LEROY MCGUFFIE PORTER.

On May 7, 2013, Respondent KRYSTAL FINANCE INC. petitioned the Commissioner to voluntarily surrender its corporate real estate broker license pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent KRYSTAL FINANCE INC.'s petition for voluntary surrender of its corporate real estate broker license 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 May 7,

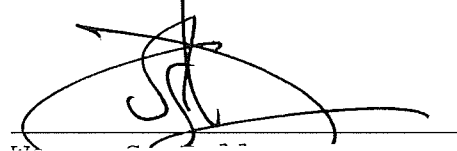
1 2013(attached as Exhibit "A" hereto). Respondent's license
2 certificate(s), pocket card(s) and any branch office license
3 certificate(s) shall be sent to the below listed address so that
4 they reach the Department on or before the effective date of this
5 Order:

6 Department of Real Estate
7 Atten: Licensing Flag Section
8 P.O. Box 187000
9 Sacramento, CA 95818-7000

10 This Order shall become effective at 12 o'clock noon
11 on JUL 22 2013.

12 DATED: MAY 15, 2013

13 Real Estate Commissioner

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16 By: Jeffrey Mason
17 Chief Deputy Commissioner
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1 "EXHIBIT A"

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5
6 BEFORE THE DEPARTMENT OF REAL ESTATE

7 STATE OF CALIFORNIA

8 * * *

9 In the Matter of the Accusation of) DRE NO: H-02650 FR
10) OAH NO: 2011120800
11 KRYSTAL FINANCE INC., a California)
12 Corporation and LEROY MCGUFFIE)
13 PORTER,)
Respondents.)

14 DECLARATION

15 My name is Juan Llanes. I am authorized and empowered
16 to sign this declaration on behalf of KRYSTAL FINANCE INC.

17 In lieu of proceeding in this matter in accordance with
18 the provisions of the Administrative Procedure Act (Sections
19 11400 et seq., of the Government Code) KRYSTAL FINANCE INC.
20 wishes to voluntarily surrender its real estate license, issued
21 by the Department of Real Estate ("Department"), pursuant to
22 Business and Professions Code Section 10100.2.

23 I understand that KRYSTAL FINANCE INC., by so
24 voluntarily surrendering its license, can only have it reinstated
25 in accordance with the provisions of Section 11522 of the
26 Government Code. I also understand that by so voluntarily
27

1 surrendering its license, KRYSTAL FINANCE INC. agrees to the
2 following:

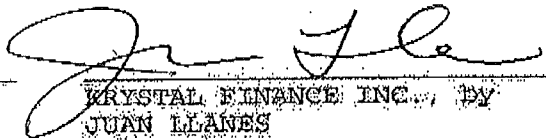
3 The filing of this Declaration shall be deemed as its
4 petition for voluntary surrender. It shall also be deemed to be
5 an understanding and agreement by KRYSTAL FINANCE INC. that, it
6 waives all rights it has to require the Commissioner to prove the
7 allegations contained in the Accusation filed in this matter at a
8 hearing held in accordance with the provisions of the
9 Administrative Procedure Act (Government Code Sections 11400 et
10 seq.), and that it also waives other rights afforded to it in
11 connection with the hearing such as the right to discovery, the
12 right to present evidence in defense of the allegations in the
13 Accusation and the right to cross-examine witnesses. I further
14 agree on behalf of KRYSTAL FINANCE INC. that upon acceptance by
15 the Commissioner, as evidenced by an appropriate order, all
16 affidavits and all relevant evidence obtained by the Department
17 in this matter prior to the Commissioner's acceptance, and all
18 allegations contained in the Accusation filed in the Department
19 Case No. H-2650 FR, may be considered by the Department to be
20 true and correct for the purpose of deciding whether or not to
21 grant reinstatement of KRYSTAL FINANCE INC.'s license(s) pursuant
22 to Government Code Section 11522.

23 A copy of the Commissioner's Criteria of Rehabilitation
24 is attached hereto. If and when a petition application is made
25 for reinstatement of a surrendered license or endorsement, the
26 Real Estate Commissioner will consider as one of the criteria of
27 rehabilitation, whether or not restitution has been made to any

1 person who has suffered monetary losses through "substantially
2 related" acts or omissions of Respondent(s), whether or not such
3 persons are named in the investigation file in this case.

4 I declare under penalty of perjury under the laws of
5 the State of California that the above is true and correct and
6 that I am acting freely and voluntarily on behalf of KRYSTAL
7 FINANCE INC. to surrender its license and all license rights
8 attached thereto.

9
10 5-7-13
11 Date and Place


KRYSTAL FINANCE INC., BY
JUAN LLANES

1 person who has suffered monetary losses through "substantially
2 related" acts or omissions of Respondent(s), whether or not such
3 persons are named in the investigation file in this case.

4 I declare under penalty of perjury under the laws of
5 the State of California that the above is true and correct and
6 that I am acting freely and voluntarily on behalf of KRYSTAL
7 FINANCE INC. to surrender its license and all license rights
8 attached thereto.

9
10
11 _____
12 Date and Place

KRYSTAL FINANCE INC., by
JUAN LLANES

FILED

JUL - 2 2013

Department of Real Estate
320 West Fourth Street, #350
Los Angeles, California 90013

DEPARTMENT OF REAL ESTATE

BY: James B. Demus

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of

KRYSTAL FINANCE INC, a California
Corporation and LEROY MCGUFFIE
PORTER,

Respondents.

DRE No. H-02650 FR
OAH No. 2011120800

STIPULATION AND
AGREEMENT

It is hereby stipulated by and between LEROY MCGUFFIE
PORTER, represented by Michael A. Rivera, and the Complainant,
acting by and through James A. Demus, Counsel for the Department
of Real Estate, as follows for the purpose of settling and
disposing of the Accusation in this matter, filed on July 8,
2011:

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

1 submitted solely on the basis of the provisions of this
2 Stipulation and Agreement (Stipulation).

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

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

19 4. This Stipulation is based on the factual
20 allegations contained in the Accusation. In the interest of
21 expedience and economy, Respondent chooses not to contest these
22 allegations, but to remain silent and understands that, as a
23 result thereof, these factual allegations, without being admitted
24 or denied, will serve as a prima facie basis for the disciplinary
25 action stipulated to herein. The Real Estate Commissioner shall
26 not be required to provide further evidence to prove said factual
27 allegations.

1 5. This Stipulation is based on Respondent's decision
2 not to contest the allegations set forth in the Accusation as a
3 result of the agreement negotiated between the parties. This
4 Stipulation is expressly limited to this proceeding and any
5 further proceeding initiated by or brought before the Department
6 of Real Estate based upon the factual allegations in the
7 Accusation and is made for the sole purpose of reaching an agreed
8 disposition of this proceeding. The decision of Respondent not
9 to contest the allegations contained in the "Order" herein below,
10 is made solely for the purpose of effectuating this Stipulation.
11 It is the intent and understanding of the parties that this
12 Stipulation shall not be binding or admissible against
13 Respondents in any action against Respondent by third parties.

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

24 7. The Order or any subsequent Order of the Real
25 Estate Commissioner made pursuant to this Stipulation shall not
26 constitute an estoppel, merger or bar to any further
27 administrative or civil proceedings by the Department of Real

1 Estate with respect to any matters which were not specifically
2 alleged to be causes for accusation in this proceeding.

3 DETERMINATION OF ISSUES

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

8 The conduct of LEROY MCGUFFIE PORTER, as described in
9 Paragraph 4, above, is a basis for discipline of LEROY MCGUFFIE
10 PORTER's license and license rights pursuant to Sections 10137
11 and 10177(h) of the Business and Professions Code ("Code").

12 ORDER

13 WHEREFORE THE FOLLOWING ORDER IS MADE PURSUANT TO THE
14 WRITTEN STIPULATION OF THE PARTIES:

15 I.

16 All licenses and licensing rights of Respondent
17 LEROY MCGUFFIE PORTER under the Real Estate Law are suspended
18 for a period of thirty (30) days from the effective date of
19 this Decision; provided, however, that thirty (30) days of said
20 suspension, shall be stayed for two (2) years upon the
21 following terms and conditions:

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

25 2. That no final subsequent determination be made,
26 after hearing or upon stipulation that cause for disciplinary
27 action occurred within two (2) years of the effective date of

1 this Decision. Should such a determination be made, the
2 Commissioner may, in his discretion, vacate and set aside the
3 stay order and reimpose all or a portion of the stayed
4 suspension. Should no such determination be made, the stay
5 imposed herein shall become permanent.

6 II.

7 Respondent LEROY MCGUFFIE PORTER shall within six (6)
8 months from the effective date of the Decision herein, take and
9 pass the Professional Responsibility Examination administered by
10 the Department including the payment of the appropriate
11 examination fee. If Respondent fails to satisfy this condition,
12 the Commissioner may order suspension of Respondent LEROY
13 MCGUFFIE PORTER's license until Respondent passes the
14 examination.

15 III.

16 Proof completed coursework shall be submitted to
17 Department Counsel James A. Demus, Attention: Legal Section,
18 Department of Real Estate, 320 W. Fourth St., Suite 350, Los
19 Angeles, California 90013-1105, on or before the dates set forth
20 above.

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23 DATED: 4/30/13

James A. Demus
JAMES A. DEMUS, Counsel for
the Department of Real Estate

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EXECUTION OF THE STIPULATION

I have read the Stipulation and discussed it with my counsel . 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 allegations 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 can signify acceptance and approval of the terms and conditions of this Stipulation by faxing a copy of the signature page, as actually signed by Respondent, to the Department at the following telephone/fax number: James A. Demus at (213) 576-6917. Respondent agrees, acknowledges and understands that by electronically sending to the Department a fax copy of Respondent's actual signature as it appears on the Stipulation, that receipt of the faxed copy by the Department shall be as binding on Respondent as if the Department had received the original signed Stipulation.

DATED: 4-26-2013

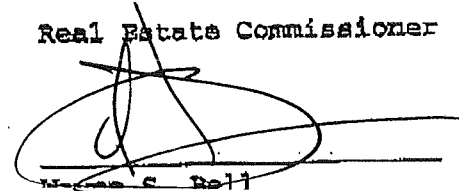
L. M. Porter
LEROY MCGUFFIE PORTER

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2 DATED: 4/26/2013
Michael A. Rivera,
Attorney for Respondent3
4 ***5 The foregoing Stipulation and Agreement is hereby
6 adopted as my Decision as to Respondent LEROY MCGUFFIE PORTER and
7 shall become effective at 12 o'clock noon on8 JUL 22 2013

9 IT IS SO ORDERED

10 May 15, 2013
11 Real Estate Commissioner12 
13 William C. Bell14
15 By: Jeffrey Mason
16 Chief Deputy Commissioner
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