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Bureau of Real Estate  
320 W. 4<sup>TH</sup> Street, Suite 350  
Los Angeles, CA 90013-1105  
Telephone: (213) 576-6982

**FILED**  
JAN 20 2015  
BUREAU OF REAL ESTATE  
By *[Signature]*

BEFORE THE BUREAU OF REAL ESTATE  
STATE OF CALIFORNIA

\*\*\*

In the Matter of the Accusation of )  
 )  
FEDERAL HOME LOANS )  
CORPORATION; and )  
 )  
EVANGELINE MICHAEL SALAS, )  
individually and as designated officer of )  
Federal Home Loan Corporation, )  
 )  
Respondents. )

No. H-04662 SD  
L-2014120031

STIPULATION  
AND  
AGREEMENT

It is hereby stipulated by and between Respondents FEDERAL HOME LOANS CORPORATION and EVANGELINE MICHAEL SALAS, individually and as designated officer of Federal Home Loan Corporation (sometimes collectively referred to as "Respondents") and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Bureau of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on July 24, 2014, in this matter:

1. All issues which were to be contested and all evidence which was to be presented by Complainant and Respondents at a formal hearing on the Accusation, which

1 hearing was to be held in accordance with the provisions of the Administrative Procedure Act  
2 (“APA”) shall instead and in place thereof be submitted solely on the basis of the provisions of  
3 this Stipulation and Agreement (“Stipulation.”)

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

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

15           4. This Stipulation is based on the factual allegations contained in the  
16 Accusation. In the interest of expedience and economy, Respondents choose not to contest  
17 these allegations, but to remain silent and understand that, as a result thereof, these factual  
18 allegations, without being admitted or denied, will serve as a prima facie basis for the  
19 disciplinary action stipulated to herein. The Real Estate Commissioner shall not be required to  
20 provide further evidence to prove said factual allegations.

21           5. This Stipulation is made for the purpose of reaching an agreed disposition of  
22 this proceeding and is expressly limited to this proceeding and any other proceeding or case in  
23 which the Bureau of Real Estate ("Bureau") or another licensing agency of this state, another  
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1 state or if the federal government is involved, and otherwise shall not be admissible in any other  
2 criminal or civil proceeding.

3           6. It is understood by the parties that the Real Estate Commissioner may adopt  
4 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on  
5 Respondents' real estate licenses and license rights as set forth in the below "Order." In the  
6 event that the Commissioner in the Commissioner's discretion does not adopt the Stipulation,  
7 the Stipulation shall be void and of no effect and Respondents shall retain the right to a hearing  
8 and proceeding on the Accusation under the provisions of the APA and shall not be bound by  
9 any stipulation or waiver made herein.  
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11           7. The Order or any subsequent Order of the Real Estate Commissioner made  
12 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further  
13 administrative or civil proceedings by the Bureau of Real Estate with respect to any matters  
14 which were not specifically alleged to be causes for accusation in this proceeding.  
15

16           8. Respondents understand that by agreeing to this Stipulation, Respondents  
17 agree to pay, pursuant to Business and Professions Code Section 10148, the cost of the original  
18 (SD 120016 & SD 120020) audit which led to this disciplinary action. The amount of said cost  
19 is \$10,151.85.  
20

21           9. Respondents have received, read, and understand the "Notice Concerning  
22 Costs of Subsequent Audit." Respondents further understand that by agreeing to this  
23 Stipulation, the findings set forth below in the Determination of Issues become final, and the  
24 Commissioner may charge Respondents for the cost of any subsequent audit conducted pursuant  
25 to Business and Professions Code Section 10148 to determine if the violations have been  
26 corrected. The maximum cost of the subsequent audit will not exceed \$10,151.85.  
27

1 10. Respondents understand that by agreeing to this Stipulation, Respondents  
2 agree to pay, pursuant to Business and Professions Code Section 10106, the cost of the  
3 investigation and enforcement of this matter. The amount of said cost is \$5,500.00.

4 DETERMINATION OF ISSUES

5 By reason of the foregoing, it is stipulated and agreed that the following  
6 Determination of Issues shall be made:

7 I.

8 The conduct of FEDERAL HOME LOANS CORPORATION and  
9 EVANGELINE MICHAEL SALAS as described in page 2, Paragraph 4, above, and in  
10 Paragraph II of the Determination of Issues directly below, is in violation of Sections 10145,  
11 10166.02(a) and 10166.02(b) of the Business and Professions Code ("Code") and Section 2725  
12 of Title 10, Chapter 6 of the California Code of Regulations ("Regulations,") and is a basis for  
13 suspension or revocation of Respondents' license and license rights as violations of the Real  
14 Estate Law pursuant to Code Section 10177(d).

15 II.

16 The conduct of EVANGELINE MICHAEL SALAS, as described in Paragraph 4,  
17 above and in Paragraph I of the Determination of Issues, above, constitutes a failure to keep  
18 Federal Home Loans Corporation in compliance with the Real Estate Law during the time that  
19 said Respondent EVANGELINE MICHAEL SALAS was the officer designated by a corporate  
20 broker licensee, in violation of Code Section 10159.2 and Regulation 2725 and is a basis for  
21 suspension or revocation of Respondents' license and license rights as a violation of the Real  
22 Estate Law pursuant to Code Section 10177(h).

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1 ORDER

2 WHEREFORE, THE FOLLOWING ORDER is hereby made:

3 I.

4 All licenses and licensing rights of Respondents FEDERAL HOME LOANS  
5 CORPORATION and EVANGELINE MICHAEL SALAS under the Real Estate Law are  
6 revoked; provided, however, new restricted real estate broker licenses shall be issued to  
7 Respondents pursuant to Section 10156.5 of the Business and Professions Code if Respondents:

9 (A) Make application thereof and pay to the Bureau of Real Estate the  
10 appropriate fee for the restricted licenses within ninety (90) days from the effective date of this  
11 Decision.

12  
13 (B) Respondent EVANGELINE MICHAEL SALAS shall, prior to and as a  
14 condition of the issuance of the new restricted license, submit proof satisfactory to the  
15 Commissioner of having taken and successfully completed the continuing education course on  
16 trust fund accounting and handling specified in paragraph (3) of subdivision (a) of Section  
17 10170.5 of the Business and Professions Code (Trust Fund Handling Course). Proof of  
18 satisfaction of this requirement includes evidence that Respondent has successfully completed  
19 the trust fund account and handling continuing education course within 120 days prior to the  
20 effective date of the Decision in this matter.

22 The new restricted licenses issued to Respondents shall be subject to all of the  
23 provisions of Section 10156.7 of the Business and Professions Code and to the followings  
24 limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

25  
26 1. The new restricted license issued to Respondents may be suspended prior to  
27 hearing by Order of the Real Estate Commissioner in the event of a Respondent's conviction or

1 plea of nolo contendere to a crime which is substantially related to a Respondent's fitness or  
2 capacity as a real estate licensee.

3 2. The new restricted licenses issued to Respondents may be suspended prior to  
4 hearing by Order of the Real Estate Commissioner on evidence satisfactory to the Commissioner  
5 that Respondents have violated provisions of the California Real Estate Law, the Subdivided  
6 Lands Law, Regulations of the Real Estate Commissioner or conditions attaching to said  
7 restricted licenses.

8  
9 3. Respondents shall not be eligible to apply for the issuance of unrestricted real  
10 estate licenses nor for the removal of any of the conditions, limitations or restrictions of said  
11 restricted licenses until four (4) years have elapsed from the effective date of this Decision.

12 4. Respondent EVANGELINE MICHAEL SALAS shall within six (6) months  
13 from the effective date of the new restricted license, take and pass the Professional  
14 Responsibility Examination administered by the Bureau including the payment of the  
15 appropriate examination fee. If Respondent fails to satisfy this condition, the Commissioner  
16 may order suspension of the restricted license until Respondent passes the examination.

17  
18 5. Respondent EVANGELINE MICHAEL SALAS shall, within nine (9) months  
19 from the effective date of this Decision, present evidence satisfactory to the Real Estate  
20 Commissioner that Respondent has, since the most recent issuance of an original or renewal real  
21 estate license, taken and successfully completed the continuing education requirements of  
22 Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If  
23 Respondent fails to satisfy this condition, the Commissioner may order the suspension of  
24 Respondent's license until the Respondent presents such evidence. The Commissioner shall  
25 afford Respondent the opportunity for a hearing pursuant to the Administrative Procedure Act to  
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1 present such evidence.

2 II.

3 All licenses and licensing rights of Respondents FEDERAL HOME LOANS  
4 CORPORATION and EVANGELINE MICHAEL SALAS, under the Real Estate Law, are  
5 suspended for a period of ninety (90) days from the effective date of this Decision:

6 A. Provided, however, that if a Respondent requests, the initial thirty (30) days  
7 of said suspension (or a portion thereof) shall be stayed for two (2) years upon condition that:

8 1. Respondents pay a monetary penalty pursuant to Section 10175.2 of the  
9 Business and Professions Code at the rate of \$66.67 per day for each day of the suspension for a  
10 monetary penalty of \$2,000 for each Respondent, or \$4,000 total.

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

14 3. No further cause for disciplinary action against the real estate licenses of  
15 Respondents occur within two (2) years from the effective date of the Decision in this matter.

16 4. If Respondents fail to pay the monetary penalty in accordance with the terms  
17 of the Decision, the Commissioner may, without a hearing, order the immediate execution of all  
18 or any part of the stayed suspension, in which event Respondents shall not be entitled to any  
19 repayment nor credit, prorated or otherwise, for money paid to the Bureau under the terms of  
20 this Decision.

21 5. If Respondents pay the monetary penalty and if no further cause for  
22 disciplinary action against the real estate license of a Respondent occurs within two (2) years  
23 from the effective date of the Decision, the stay hereby granted shall become permanent.

1                   B. The remaining sixty (60) days of the ninety (90) day suspension shall be  
2 stayed for two (2) years upon the following terms and conditions:

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

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

11  
12                   III.

13                   Pursuant to Section 10148 of the Business and Professions Code, Respondents  
14 FEDERAL HOME LOANS CORPORATION and EVANGELINE MICHAEL SALAS shall  
15 pay the Commissioner's reasonable cost for (a) the audit which led to this disciplinary action and  
16 (b) a subsequent audit to determine if Respondents are now in compliance with the Real Estate  
17 Law. The cost of the audit which led to this disciplinary action is \$10,151.85. In calculating  
18 the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated  
19 average hourly salary for all persons performing audits of real estate brokers, and shall include  
20 an allocation for travel time to and from the auditor's place of work. Said amount for the prior  
21 and subsequent audits shall not exceed \$21,703.70. Respondents are jointly and severally liable  
22 for the cost of the audits.

23                   Respondents shall pay such cost within 60 days of receiving an invoice from the  
24 Commissioner detailing the activities performed during the audit and the amount of time spent  
25



1 performing those activities.

2           The Commissioner may suspend the licenses of Respondents pending a hearing  
3 held in accordance with Section 11500, et seq., of the Government Code, if payment is not  
4 timely made as provided for herein, or as provided for in a subsequent agreement between the  
5 Respondents and the Commissioner. The suspension shall remain in effect until payment is  
6 made in full or until a Respondent enters into an agreement satisfactory to the Commissioner to  
7 provide for payment, or until a decision providing otherwise is adopted following a hearing held  
8 pursuant to this condition.  
9

10 V.

11           All licenses and licensing rights of Respondents FEDERAL HOME LOANS  
12 CORPORATION and EVANGELINE MICHAEL SALAS, are indefinitely suspended unless or  
13 until Respondents pay the sum of \$5,500.00 for the Commissioner's reasonable cost of the  
14 investigation and enforcement which led to this disciplinary action by the effective date. Said  
15 payment must be received by the Bureau prior to the effective date of the Order in this matter.  
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17 VI.

18           Respondent EVANGELINE MICHAEL SALAS shall within nine (9) months  
19 from the effective date of this Decision, present evidence satisfactory to the Real Estate  
20 Commissioner that Respondent has, since the most recent issuance of an original or renewal real  
21 estate license, taken and successfully completed the continuing education requirements of  
22 Article 2.5 of Chapter 3 of the Real Estate Law for renewal of a real estate license. If  
23 Respondent fails to satisfy this condition, the Commissioner may order the suspension of the  
24 license until Respondent presents such evidence. The Commissioner shall afford Respondent  
25 the opportunity for a hearing pursuant to the Administrative Procedure Act to present such  
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evidence.

VII.

As an additional condition for the Real Estate Commissioner to enter into this  
Stipulation, Respondents shall obtain a Mortgage Loan Originator endorsement and shall provide evidence therewith not later than ninety (90) days from the effective date of the Stipulation herein. All licenses and licensing rights of Respondents are indefinitely suspended unless or until Respondent provides evidence of obtaining said endorsement to the Commissioner.


VIII.

As a further condition for the Real Estate Commissioner to enter into this  
Stipulation, Respondents shall provide evidence satisfactory to the Commissioner that all violations set forth below have been corrected prior to the effective date of the Stipulation. All licenses and licensing rights of Respondents are indefinitely suspended unless or until Respondent provides said evidence of correction.

IX.

All proof required by this Decision, shall be sent to the attention of Bureau of  
Real Estate, Flag Section, P.O. Box 137013, Sacramento, CA 95813-7013. All checks, unless otherwise specified, are payable to the Bureau of Real Estate. All proof required by this Decision, and all payments required herein, may be made by either cashier's check or made by credit card. Credit card payments shall be accompanied by Form RE 909. Proof and payments shall be sent to the attention of Bureau of Real Estate, Flag Section, P.O. Box 137013, Sacramento, CA 95813-7013.

DATED: 01.09.15

  
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ELLIOTT MAC LENNAN,  
Counsel for Bureau of Real Estate

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EXECUTION OF THE STIPULATION

We have read the Stipulation. Its terms are understood by us and are agreeable and acceptable to us. We understand that we are waiving rights given to us by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and we are 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 we would have the right to cross-examine witnesses against us and to present evidence in defense and mitigation of the charges.

DATED: 01.02.2015



FEDERAL HOME LOANS CORPORATION  
BY: EVANGELINE MICHAEL SALAS, D.O.,  
Respondent

DATED: 01.02.2015



EVANGELINE MICHAEL SALAS, individually  
and as designated officer of Federal Home Loan  
Corporation,  
Respondent

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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to

Respondents FEDERAL HOME LOANS CORPORATION and EVANGELINE MICHAEL

SALAS, individually and as designated officer of Federal Home Loan Corporation, and shall

become effective at 12 o'clock noon on JAN 20 2015

IT IS SO ORDERED

1/15/2015

Real Estate Commissioner



WAYNE S. BELL