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FILED

JUN 16 2023

DEPT. OF REAL ESTATE

By



BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)	No. H-05237 SD
)	
MS MORTGAGE & REALTY)	<u>STIPULATION AND AGREEMENT</u>
INVESTMENTS, INC,)	
doing business as Salas Financial, and)	
JOSEPH IGNACIO SALAS JR,)	
individually and as designated officer of)	
MS Mortgage & Realty Investments, Inc,)	
)	
Respondents.)	
)	

It is hereby stipulated by and between Respondents MS MORTGAGE & REALTY INVESTMENTS, INC and JOSEPH IGNACIO SALAS JR (“Respondents”), represented by Dennis Doss, and the Complainant, acting by and through Steve Chu, Counsel for the Department of Real Estate (“Department”), as follows for the purpose of settling and disposing of the Accusation filed on September 17, 2021, 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 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 (“Stipulation”).

1 2. Respondents have received, read and understand the Statement to
2 Respondent, the Discovery Provisions of the APA, and the Accusation filed by the Department
3 of Real Estate in this proceeding.

4 3. On September 22, 2021, Respondents filed a Notice of Defense pursuant
5 to Section 11506 of the Government Code for the purpose of requesting a hearing on the
6 allegations in the Accusation. Respondents hereby freely and voluntarily withdraw said Notice
7 of Defense. Respondents acknowledge that Respondents understand that by withdrawing said
8 Notice of Defense, Respondents will thereby waive Respondents' right to require the Real
9 Estate Commissioner ("Commissioner") to prove the allegations in the Accusation at a
10 contested hearing held in accordance with the provisions of the APA and that Respondents will
11 waive other rights afforded to Respondents in connection with the hearing such as the right to
12 present evidence in defense of the allegations in the Accusation and the right to cross-examine
13 witnesses.

14 4. Respondents, pursuant to the limitations set forth below, hereby admit
15 that the factual allegations in the Accusation filed in this proceeding are true and correct and the
16 Commissioner shall not be required to provide further evidence to prove such allegations.

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

24 6. The Order or any subsequent Order of the Commissioner made pursuant
25 to this Stipulation shall not constitute an estoppel, merger or bar to any further administrative or
26 civil proceedings by the Department with respect to any matters which were not specifically
27 alleged to be causes for the Accusation in this proceeding.

1. DETERMINATION OF ISSUES

2. By reason of the foregoing stipulations, admissions, and waivers, and solely for
3. the purpose of settlement of the pending Accusation without a hearing, it is stipulated and
4. agreed that the following Determination of Issues shall be made:

5. I.

6. The conduct, acts, and/or omissions of Respondent MS MORTGAGE &
7. REALTY INVESTMENTS, INC, as described in the Accusation, constitute cause for the
8. suspension or revocation of all real estate licenses, license endorsements, and license rights of
9. Respondent MS MORTGAGE & REALTY INVESTMENTS, INC under California Business
10. and Professions Code ("Code") section 10177(d) and 10177(g) for violation of Code
11. sections 10141.6(a), 10145, 10231, 10233(a), 10238(d), 10238(j), 10240 and Title 10,
12. Chapter 6, California Code of Regulations ("Regulations") sections 2831, 2831.1, 2832,
13. 2950(d), 2950(f), 2950(h), and 2951.

14. II.

15. The conduct, acts, and/or omissions of Respondent JOSEPH IGNACIO SALAS
16. JR, as described in the Accusation, constitute cause for the suspension or revocation of all real
17. estate licenses, license endorsements, and license rights of Respondent JOSEPH IGNACIO
18. SALAS JR under Code section 10177(d), 10177(g), and 10177(h) for violation of Code
19. section 10159.2 and Regulations section 2725.

20. ORDER

21. I.

22. All licenses, license endorsements, and license rights of Respondent
23. MS MORTGAGE & REALTY INVESTMENTS, INC under the Real Estate Law are
24. suspended for a period of thirty (30) days from the effective date of this Decision and Order;
25. provided, however, that:

26. 1. Thirty (30) days of said suspension shall be stayed for two (2) years upon
27. the following terms and conditions:

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- a. Respondent shall obey all laws, rules, and regulations governing the rights, duties, and responsibilities of a real estate licensee in the State of California.
- b. No final determination be made after hearing or upon stipulation that cause for disciplinary action against any of the real estate licenses, license endorsements, and license rights of Respondent occurred within two (2) years from the effective date of this Decision and Order. 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.

2. All licenses, license endorsements, and license rights of MS MORTGAGE & REALTY INVESTMENTS, INC are indefinitely suspended unless or until Respondent MS MORTGAGE & REALTY INVESTMENTS, INC pays, jointly and severally with Respondent JOSEPH IGNACIO SALAS JR, the sum of \$18,435.50 for the Commissioner's cost of the audit which led to this disciplinary action. Respondent MS MORTGAGE & REALTY INVESTMENTS, INC shall pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner. Said payment shall be in the form of a cashier's check made payable to the Department of Real Estate. The audit cost must be delivered to the Department of Real Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013.

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1 3. All licenses, license endorsements, and license rights of Respondent MS
2 MORTGAGE & REALTY INVESTMENTS, INC are indefinitely suspended unless or until
3 Respondent MS MORTGAGE & REALTY INVESTMENTS, INC pays, jointly and severally
4 with Respondent JOSEPH IGNACIO SALAS JR, the sum of \$4,598.75 for the Commissioner's
5 reasonable cost of the investigation and enforcement which led to this disciplinary action. Said
6 payment shall be in the form of a cashier's check made payable to the Department of Real
7 Estate. The investigative and enforcement costs must be delivered to the Department of Real
8 Estate, Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective
9 date of this Decision and Order.

10 4. Respondent MS MORTGAGE & REALTY INVESTMENTS, INC shall
11 pay the Commissioner's reasonable cost, not to exceed \$23,044.37, for any subsequent audit to
12 determine if Respondent MS MORTGAGE & REALTY INVESTMENTS, INC has corrected
13 the violations found in the Determination of Issues. In calculating the amount of the
14 Commissioner's reasonable cost, the Commissioner may use the estimated average hourly
15 salary for all persons performing audits of real estate brokers, and shall include an allocation for
16 travel time to and from the auditor's place of work. Respondent MS MORTGAGE &
17 REALTY INVESTMENTS, INC shall pay such cost within sixty (60) days of receiving an
18 invoice therefore from the Commissioner. If Respondent MS MORTGAGE & REALTY
19 INVESTMENTS, INC fails to satisfy this condition in a timely manner as provided for herein,
20 Respondent MS MORTGAGE & REALTY INVESTMENTS, INC'S real estate licenses,
21 license endorsements, and license rights shall automatically be suspended until payment is
22 made in full, or until a decision providing otherwise is adopted following a hearing held
23 pursuant to this condition.

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1. II.

2 All licenses, license endorsements, and license rights of Respondent JOSEPH
3 IGNACIO SALAS JR under the Real Estate Law are suspended for a period of thirty (30) days
4 from the effective date of this Decision and Order; provided, however, that:

5 1. Thirty (30) days of said suspension shall be stayed for two (2) years upon
6 the following terms and conditions:

7 a. Respondent shall obey all laws, rules, and regulations governing
8 the rights, duties, and responsibilities of a real estate licensee in the
9 State of California.

10 b. No final determination be made after hearing or upon stipulation
11 that cause for disciplinary action against any of the real estate
12 licenses, license endorsements, and license rights of Respondent
13 occurred within two (2) years from the effective date of this Decision
14 and Order. Should such a determination be made, the Commissioner
15 may, in his discretion, vacate and set aside the stay order and
16 reimpose all or a portion of the stayed suspension. Should no such
17 determination be made, the stay imposed herein shall become
18 permanent.

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1 2. All licenses, license endorsements, and license rights of Respondent are
2 indefinitely suspended unless or until Respondent provides proof satisfactory to the
3 Commissioner of having taken and successfully completed the continuing education course on
4 trust fund accounting and handling specified in Code section 10170.5(a)(3). Proof of
5 satisfaction of this requirement includes evidence that Respondent has successfully completed
6 the trust fund accounting and handling continuing education course within one hundred twenty
7 (120) days prior to the effective date of this Decision and Order. Proof of completion of the
8 trust fund accounting and handling course must be delivered to the Department of Real Estate,
9 Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of
10 this Decision and Order.

11 3. All licenses, license endorsements, and license rights of Respondent
12 JOSEPH IGNACIO SALAS JR are indefinitely suspended unless or until Respondent JOSEPH
13 IGNACIO SALAS JR pays, jointly and severally with Respondent MS MORTGAGE &
14 REALTY INVESTMENTS, INC, the sum of \$18,435.50 for the Commissioner's cost of the
15 audit which led to this disciplinary action. Respondent JOSEPH IGNACIO SALAS JR shall
16 pay such cost within sixty (60) days of receiving an invoice therefore from the Commissioner.
17 Said payment shall be in the form of a cashier's check made payable to the Department of Real
18 Estate. The audit cost must be delivered to the Department of Real Estate, Flag Section at
19 P.O. Box 137013, Sacramento, CA 95813-7013.

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1 4. All licenses, license endorsements, and license rights of Respondent
2 JOSEPH IGNACIO SALAS JR are indefinitely suspended unless or until Respondent JOSEPH
3 IGNACIO SALAS JR pays, jointly and severally with Respondent MS MORTGAGE &
4 REALTY INVESTMENTS, INC, the sum of \$4,598.75 for the Commissioner's reasonable cost
5 of the investigation and enforcement which led to this disciplinary action. Said payment shall
6 be in the form of a cashier's check made payable to the Department of Real Estate. The
7 investigative and enforcement costs must be delivered to the Department of Real Estate, Flag
8 Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this
9 Decision and Order.

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11 DATED: 3/3/2023



Steve Chu, Counsel
Department of Real Estate

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We have read the Stipulation and Agreement. We understand that we are waiving rights given to us by the California Administrative Procedure Act, (including but not limited to sections 11521 and 11523 of the Government Code), and we willingly, intelligently, and voluntarily waive those rights, including the right to seek reconsideration and the right to seek judicial review of the Commissioner's Decision and Order by way of a writ of mandate.

We agree, acknowledge, and understand that we cannot rescind or amend this Stipulation and Agreement.

We can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by mailing the original signed Stipulation and Agreement to: Steve Chu, Department of Real Estate, 320 West 4th Street, Suite 350, Los Angeles, California 90013-1105. Steve Chu must receive the original signed Stipulation and Agreement or a copy faxed to (213) 576-6917 by March 3, 2023; if not, this Stipulation and Agreement is invalid and void because the sum for the Commissioner's reasonable cost of the investigation and enforcement which led to this disciplinary action will increase.

DATED: 3/3/23

[Redacted Signature]

MS MORTGAGE & REALTY INVESTMENTS, INC
Respondent
By JOSEPH IGNACIO SALAS JR,
as designated officer of
MS MORTGAGE & REALTY INVESTMENTS, INC

DATED: 3/3/23

[Redacted Signature]

JOSEPH IGNACIO SALAS JR
Respondent

DATED: 3/7/2023

[Redacted Signature]

Dennis Doss
Counsel for Respondents
Approved as to Form

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The foregoing Stipulation and Agreement is hereby adopted by me as my
Decision in this matter as to Respondents MS MORTGAGE & REALTY
INVESTMENTS, INC and JOSEPH IGNACIO SALAS JR, and shall become effective
at 12 o'clock noon on 7/6/2023.

IT IS SO ORDERED 6-8-23

DOUGLAS R. McCAULEY
REAL ESTATE COMMISSIONER

