

1 DEPARTMENT OF REAL ESTATE
2 P. O. Box 137007
3 Sacramento, CA 95813-7007

4 Telephone: (916) 576-7843

FILED

MAY 10 2021

DEPARTMENT OF REAL ESTATE
By B. Nicholas

7 BEFORE THE DEPARTMENT OF REAL ESTATE
8 STATE OF CALIFORNIA

9 * * *

10 In the Matter of the Accusation of:) Case No. H-6958 SAC
11)
12 INVESTMENT GRADE LOANS, INC.,) STIPULATION AND AGREEMENT
13 and ANDREW A. LEWIS,) IN SETTLEMENT AND ORDER
14 Respondents.)

15 It is hereby stipulated by and between Respondent INVESTMENT GRADE
16 LOANS, INC. ("IGLI") and ANDREW A. LEWIS ("LEWIS") (collectively referred to as
17 "Respondents"), acting by and through Joshua A. Rosenthal, counsel for Respondents, and the
18 Complainant, acting by and through Jason D. Lazark, Counsel for the Department of Real
19 Estate, as follows for the purpose of settling and disposing of the Accusation filed on July 30,
20 2020, in this matter:

21 1. All issues which were to be contested and all evidence which was to be
22 presented by Complainant and Respondents at a formal hearing on the Accusation, which
23 hearing was to be held in accordance with the provisions of the Administrative Procedure Act
24 ("APA"), shall instead and in place thereof be submitted solely on the basis of the provisions of
25 this Stipulation and Agreement In Settlement and Order ("Stipulation and Agreement").

26 2. Respondents have received, read and understand the Statement to
27 Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department

1 of Real Estate in this proceeding.

2 3. Respondents filed Notices of Defense pursuant to Section 11505 of the
3 Government Code for the purpose of requesting a hearing on the allegations in the Accusation.
4 Respondents hereby freely and voluntarily withdraw said Notices of Defense. Respondents
5 acknowledge that they understand that by withdrawing said Notices of Defense they will
6 thereby waive their rights to require the Real Estate Commissioner ("Commissioner") to prove
7 the allegations in the Accusation at a contested hearing held in accordance with the provisions
8 of the APA, and that they will waive other rights afforded to them in connection with the
9 hearing such as the right to present evidence in defense of the allegations in the Accusation and
10 the right to cross-examine witnesses.

11 4. Respondents, pursuant to the limitations set forth below, hereby admit that
12 the factual allegations or findings of fact as set forth in the Accusation filed in this proceeding
13 are true and correct and the Real Estate Commissioner shall not be required to provide further
14 evidence of such allegations.

15 5. This Stipulation and Agreement is made for the purpose of reaching an
16 agreed disposition of this proceeding and is expressly limited to this proceeding and any other
17 proceeding or case in which the Department, the state or federal government, any agency of
18 this state, or an agency of another state is involved.

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

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

8. Respondents understand that by agreeing to this Stipulation and Agreement, Respondents agree to be responsible for jointly and severally paying, pursuant to Section 10148 of the California Business and Professions Code ("the Code"), the costs of the audit which resulted in the determination that Respondents committed the trust fund violation(s) found in the Determination of Issues. The amount of such costs is \$10,249.44.

9. Respondents further understand that by agreeing to this Stipulation and Agreement, the findings set forth below in the Determination of Issues become final, and that the Commissioner may charge said Respondents for the costs of any audit conducted pursuant to Section 10148 of the Code to determine if the violations have been corrected and hold Respondents jointly and severally responsible for paying the costs of the follow up audit. The maximum costs of said audit shall not exceed \$12,811.80.

10. Respondents further understand that by agreeing to this Stipulation and Agreement, Respondents agree to be responsible for jointly and severally paying, pursuant to Section 10106 of the Code, the costs of the investigation and enforcement of this case which resulted in the determination that Respondent committed the violation(s) found in the Determination of Issues. The amount of such cost is \$1,673.50.

DETERMINATION OF ISSUES

By reason of the foregoing stipulations, admissions, and waivers, and solely for the purpose of settlement of the pending Accusation without further proceedings, it is stipulated and agreed that the following Determination of Issues shall be made:

The acts and/or omissions of IGLI as described in the Accusation are grounds for the suspension or revocation of the licenses and license rights of IGLI under the provisions of

1 Sections 10145, 10176(e), 10177(d), 10177(g), 10232.2(a), 10232.2(c), 10232.25, 10238(k)(3),
2 10238(o), and 10238(p) of the Code, and Sections 2831, 2831.1, 2831.2, 2832.1, 2846.5, 2846.7
3 2846.8, and 2849.01 of Title 10 of the California Code of the Regulations ("the Regulations").

4 The acts and/or omissions of LEWIS as described in the Accusation are grounds
5 for the suspension or revocation of the licenses and license rights of LEWIS under the provisions
6 of Sections 10145, 10176(e), 10177(d), 10177(g), 10177(h), 10159.2, 10232.2(a), 10232.2(c),
7 10232.25, 10238(k)(3), 10238(o), and 10238(p), of the Code, and Sections 2725, 2831.1, 2831.2,
8 2832.1, 2846.5, 2846.7, 2846.8, and 2849.01 of the Regulations.

9 ORDER

10 I.

11 AS TO IGLI

12 All licenses and licensing rights of IGLI under the Real Estate Law are suspended
13 for a period of one hundred twenty (120) days from the effective date of this Order; provided,
14 however, that:

15 1. Thirty (30) days of said suspension shall be stayed upon the condition that
16 IGLI petitions pursuant to Section 10175.2 of the Code and pays a monetary penalty pursuant to
17 Section 10175.2 of the Code, at a rate of \$50 for each day of the suspension, for a total monetary
18 penalty of \$1,500.00.

19 a. Said payment shall be in the form of a cashier's check made payable to
20 the Department of Real Estate. Said check must be delivered to the Department of Real Estate,
21 Flag Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this
22 Order.

23 b. No further cause for disciplinary action against the real estate license
24 of IGLI occurs within two (2) years from the effective date of the Order in this matter.

25 c. If IGLI fails to pay the monetary penalty in accordance with the terms
26 and conditions of the Decision, the Commissioner may, without a hearing, order the immediate
27 execution of all or any part of the stayed suspension, in which event, IGLI shall not be entitled to

1 any repayment nor credit, prorated or otherwise, for money paid to the Department under the
2 terms of this decision.

3 d. If IGLI pays the monetary penalty, and if no further cause for
4 disciplinary action against the real estate license of IGLI occurs within two (2) years from the
5 effective date of the Decision herein, then the stay hereby granted shall become permanent.

6 2. The remaining ninety (90) days of said suspension shall also be stayed for two
7 (2) years upon the following terms and conditions:

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

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

16 II.

17 AS TO LEWIS

18 All licenses and licensing rights of LEWIS under the Real Estate Law are
19 revoked; provided, however, a restricted real estate broker license shall be issued to LEWIS
20 pursuant to Section 10156.5 of the Code if LEWIS makes application therefore and pays to the
21 Department the appropriate fee for the restricted license within 90 days from the effective date of
22 this Decision.

23 1. The restricted license issued to LEWIS shall be subject to all of the provisions
24 of Section 10156.7 of the Code as to the following limitations, conditions and restrictions
25 imposed under authority of Section 10156.6 of that Code:

26 (a) The restricted license issued to LEWIS shall be suspended prior to hearing
27 by Order of the Commissioner in the event of LEWIS' conviction

1 (including by plea of guilty or nolo contendere) to a crime which is
2 substantially related to LEWIS 's fitness or capacity as a real estate
3 licensee; and,

4 (b) The restricted license issued to LEWIS shall be suspended prior to hearing
5 by Order of the Commissioner on evidence satisfactory to the
6 Commissioner that LEWIS has violated provisions of the California Real
7 Estate Law, the Subdivided Lands Law, Regulations of the Real Estate
8 Commissioner, or conditions attaching to the restricted license.

9 2. LEWIS shall not be eligible to apply for the issuance of an unrestricted real
10 estate license nor for removal of any of the conditions, limitations or restrictions of a restricted
11 license until two (2) years have elapsed from the effective date of this Decision.

12 3. LEWIS shall notify the Commissioner in writing within 72 hours of any arrest
13 by sending a certified letter to the Commissioner at the Department of Real Estate, Legal Section
14 at Post Office Box 137007, Sacramento, CA 95813-7007. The letter shall set forth the date of
15 LEWIS' arrest, the crime for which LEWIS was arrested and the name and address of the
16 arresting law enforcement agency. LEWIS' failure to timely file written notice shall constitute
17 an independent violation of the terms of the restricted license and shall be grounds for the
18 suspension or revocation of that license.

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

26 5. Notwithstanding any other provision of this Order, all licenses and license
27 rights of LEWIS are suspended unless and until he provides proof satisfactory to the

1 Commissioner that he has taken and successfully completed the continuing education course on
2 Trust Fund Accounting and Handling specified in Section 10170.5(a)(3) of the Code. The
3 course must have been completed no earlier than one hundred twenty (120) days prior to the
4 effective date of this Order, and proof must be submitted prior to the effective date of this
5 Order, to prevent suspension of her license pursuant to this condition.

6 6. LEWIS shall, within nine (9) months from the issuance of the Order, take and
7 pass the Professional Responsibility Examination administered by the Department, including the
8 payment of the appropriate examination fee. All licenses and licensing rights of LEWIS shall
9 be indefinitely suspended unless or until LEWIS passes the examination.

10 III.

11 AS TO IGLI AND LEWIS JOINTLY AND SEVERALLY

12 1. Respondents, jointly and severally, shall pay the sum of \$10,249.44 for the
13 Commissioner's cost of the audit which led to this disciplinary action. Respondents shall pay
14 such cost within sixty (60) days of receiving an invoice therefore from the Commissioner. The
15 Commissioner shall indefinitely suspend all licenses and licensing rights of Respondents
16 pending a hearing held in accordance with Section 11500, et seq., of the Government Code, if
17 payment is not timely made as provided for herein, or as provided for in a subsequent
18 agreement between Respondents and the Commissioner. The suspension shall remain in effect
19 until payment is made in full or until Respondents enter into an agreement satisfactory to the
20 Commissioner to provide for payment, or until a decision providing otherwise is adopted
21 following a hearing held pursuant to this condition.

22 2. Respondents, jointly and severally, shall pay the Commissioner's costs, not
23 to exceed \$12,811.80, of any audit conducted pursuant to Section 10148 of the Code to
24 determine if Respondents have corrected the violations described in the Determination of
25 Issues, above, and any other violations found in the audit which led to this disciplinary action.
26 In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use
27 the estimated average hourly salary for all persons performing audits of real estate brokers, and

1 shall include an allocation for travel time to and from the auditor's place of work. Respondents
2 shall pay such cost within sixty (60) days of receiving an invoice therefore from the
3 Commissioner detailing the activities performed during the audit and the amount of time spent
4 performing those activities. If Respondents fail to pay such cost within the sixty (60) days, the
5 Commissioner shall indefinitely suspend all licenses and licensing rights of Respondents under
6 the Real Estate Law until payment is made in full or until Respondents enter into an agreement
7 satisfactory to the Commissioner to provide for payment. Upon full payment, the indefinite
8 suspension provided for in this paragraph shall be stayed.

9 3. All licenses and licensing rights of Respondents, are indefinitely suspended
10 unless or until Respondents, jointly and severally, pay the sum of \$1,673.50 for the
11 Commissioner's reasonable cost of the investigation and enforcement which led to this
12 disciplinary action. Said payment shall be in the form of a cashier's check or certified check
13 made payable to the Real Estate Fund.

14
15 2/1/2021

16 DATED

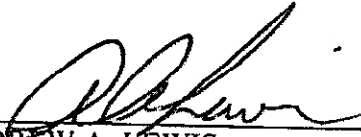
17 JASON D. LAZARK, Counsel
18 Department of Real Estate

19 * * *

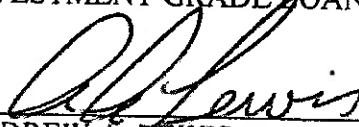
20 I have read the Stipulation and Agreement in Settlement and Order and its terms
21 are understood by me and are agreeable and acceptable to me. I understand that I am waiving
22 rights given to me by the California Administrative Procedure Act (including but not limited to
23 Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly,
24 intelligently, and voluntarily waive those rights, including the right of requiring the
25 Commissioner to prove the allegations in the Accusation at a hearing at which I would have the
26 right to cross-examine witnesses against me and to present evidence in defense and mitigation
27 of the charges.

1 I further agree to send the original signed Stipulation and Agreement by mail to
2 the following address no later than one (1) week from the date the Stipulation and Agreement
3 is signed by me and my attorney: *Department of Real Estate, Legal Section, P.O. Box 137007,*
4 *Sacramento, California 95813-7007.* I understand and agrees that if they fail to return the
5 original signed Stipulation and Agreement by the due date, Complainant retains the right to set
6 this matter for hearing.

7
8 1/29/2021
9 DATED

10 
11 ANDREW A. LEWIS
12 Designated Officer for Respondent
13 INVESTMENT GRADE LOANS, INC.


14
15 1/29/2021
16 DATED

17 
18 ANDREW A. LEWIS
19 Respondent

20
21 *I have reviewed the Stipulation and Agreement as to form and content and*
22 *have advised my client accordingly.*

23 2/1/21

24 DATED

25 
26 JOSHUA A. ROSENTHAL
27 Attorney for Respondent

28 The foregoing Stipulation and Agreement is hereby adopted as my Decision in
29 this matter and shall become effective at 12 o'clock noon on MAY 31 2021.

30 IT IS SO ORDERED 4.25.21, 2021.

31 REAL ESTATE COMMISSIONER

32 
33 DOUGLAS R. McCAULEY