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Department of Real Estate  
P.O. Box 137007  
Sacramento, CA 95813-7007  
Telephone: (916) 576-8700

**FILED**

**APR 12 2019**

DEPARTMENT OF REAL ESTATE  
By B. Nicholas

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of	)	No. H-12286 SF
	)	
MENDO REALTY PROPERTY	)	<u>STIPULATION AND</u>
MANAGEMENT, INC., and JOHN LEE	)	<u>AGREEMENT</u>
LAZARO,	)	
	)	
Respondents.	)	

It is hereby stipulated by and between MENDO REALTY PROPERTY MANAGEMENT, INC. (MRPM), and JOHN LEE LAZARO (LAZARO) (collectively referred to as "Respondents"), and the Complainant, acting by and through Truly Sughrue, Counsel for the Department of Real Estate (Department), as follows for the purpose of settling and disposing the Accusation filed on August 14, 2018, in this matter:

- 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.

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

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

13                   4.     This Stipulation and Agreement is based on the factual allegations  
14 contained in the Accusation. In the interest of expediency and economy, Respondents choose not  
15 to contest these factual allegations, but to remain silent and understand that, as a result thereof,  
16 these factual statements will serve as a prima facie basis for the "Determination of Issues" and  
17 "Order" set forth below. The Commissioner shall not be required to provide further evidence to  
18 prove such allegations.

19                   5.     This Stipulation and Agreement and Respondents' decision not to contest  
20 the Accusation are made for the purpose of reaching an agreed disposition of this proceeding and  
21 are expressly limited to this proceeding and any other proceeding or case in which the  
22 Department, the state or federal government, an agency of this state, or an agency of another state  
23 is involved.

24                   6.     Respondents understand that by agreeing to this Stipulation and  
25 Agreement, Respondents agrees to pay, pursuant to Section 10148 of the California Business  
26 and Professions Code (Code), the cost of the audit, which resulted in the determination that  
27 Respondents committed the trust fund handling violation(s) found in the Determination of

1 Issues. The amount of said costs is \$4,443.37.

2           7. Respondents further understand that by agreeing to this Stipulation and  
3 Agreement, the findings set forth below in the Determination of Issues become final, and that  
4 the Commissioner may charge said Respondents for the costs of any audit conducted pursuant to  
5 Section 10148 of the Code to determine if the violations have been corrected. The maximum  
6 costs of said audit shall not exceed \$5,554.21.

7           8. It is understood by the parties that the Commissioner may adopt the  
8 Stipulation and Agreement as his Decision and Order in this matter thereby imposing the penalty  
9 and sanctions on the real estate licenses and license rights of Respondents as set forth in the  
10 below "Order". In the event that the Commissioner in his discretion does not adopt the  
11 Stipulation and Agreement, it shall be void and of no effect, and Respondents shall retain the  
12 right to a hearing and proceeding on the Accusation under all the provisions of the APA and shall  
13 not be bound by any admission or waiver made herein.

14           9. The Order or any subsequent Order of the Commissioner made pursuant to  
15 this Stipulation and Agreement shall not constitute an estoppel, merger or bar to any further  
16 administrative or civil proceedings by the Department with respect to any matters which were not  
17 specifically alleged in Accusation H-12286 SF.

18 \* \* \*

19 DETERMINATION OF ISSUES

20 By reason of the foregoing stipulations and waivers and solely for the purpose of  
21 settlement of the pending Accusation without a hearing, it is stipulated and agreed that the  
22 following determination of issues shall be made:

23 I

24 The acts and omissions of Respondents as described in the First Cause of Action  
25 in the Accusation are grounds for the suspension or revocation of Respondents' licenses and  
26 license rights under the following sections of the Code and Title 10 of the California Code of  
27 Regulations (Regulations):

1 As to Paragraphs 11(a) and (b), under Section 10177(d) of the Code in  
2 conjunction with Section 10145 of the Code and Section 2832.1 of the Regulations;

3 As to Paragraph 11(c), under Section 10176(e) of the Code; and

4 As to Paragraph 11(d), under Section 10177(d) of the Code in conjunction with  
5 Section 10145 of the Code and Section 2834 of the Regulations;

6 II

7 The acts and omissions of LAZARO as described in the Second Cause of Action  
8 in the Accusation are grounds for the suspension or revocation of LAZARO's licenses and  
9 license rights under Section 10177(h) of the Code.

10 \* \* \*

11 ORDER

12 I

13 All licenses and licensing rights of MRPM under the Real Estate Law are  
14 suspended for a period of ninety (90) days from the effective date of this Order; provided,  
15 however, that:

16 1) Thirty (30) days of said suspension shall be stayed, upon the condition that  
17 MRPM petition pursuant to Section 10175.2 of the Code and pays a monetary penalty pursuant to  
18 Section 10175.2 of the Code at a rate of \$50 for each day of the suspension for a total monetary  
19 penalty of \$1,500.

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

24 b) No further cause for disciplinary action against the Real Estate licenses of MRPM  
25 occurs within two (2) years from the effective date of the decision in this matter.

26 c) If MRPM fails to pay the monetary penalty as provided above prior to the  
27 effective date of this Order, the stay of the suspension shall be vacated as to that MRPM and the

1 order of suspension shall be immediately executed, under this Order, in which event the said  
2 MRPM shall not be entitled to any repayment nor credit, prorated or otherwise, for the money  
3 paid to the Department under the terms of this Order.

4 d) If MRPM pays the monetary penalty and any other moneys due under this  
5 Stipulation and Agreement and if no further cause for disciplinary action against the real estate  
6 license of said MRPM occurs within two (2) years from the effective date of this Order, the entire  
7 stay hereby granted this Order, as to said MRPM only, shall become permanent.

8 2) Sixty (60) days of said suspension shall be stayed for two (2) years upon the  
9 following terms and conditions:

10 a) MRPM shall obey all laws, rules and regulations governing the rights, duties and  
11 responsibilities of a real estate licensee in the State of California; and,

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

17 II

18 All licenses and licensing rights of LAZARO under the Real Estate Law are  
19 suspended for a period of ninety (90) day from the effective date of this Order; provided,  
20 however, that:

21 1) Thirty (30) days of said suspension shall be stayed, upon the condition that  
22 LAZARO petition pursuant to Section 10175.2 of the Code and pays a monetary penalty pursuant  
23 to Section 10175.2 of the Code at a rate of \$50 for each day of the suspension for a total  
24 monetary penalty of \$1,500.

25 a) Said payment shall be in the form of a cashier's check made payable to the  
26 Department of Real Estate. Said check must be delivered to the Department of Real Estate, Flag

1 Section at P.O. Box 137013, Sacramento, CA 95813-7013, prior to the effective date of this  
2 Order.

3 b) No further cause for disciplinary action against the Real Estate licenses of  
4 LAZARO occurs within two (2) years from the effective date of the decision in this matter.

5 c) If LAZARO fails to pay the monetary penalty as provided above prior to the  
6 effective date of this Order, the stay of the suspension shall be vacated as to that LAZARO and  
7 the order of suspension shall be immediately executed, under this Order, in which event the said  
8 LAZARO shall not be entitled to any repayment nor credit, prorated or otherwise, for the money  
9 paid to the Department under the terms of this Order.

10 d) If LAZARO pays the monetary penalty and any other moneys due under this  
11 Stipulation and Agreement and if no further cause for disciplinary action against the real estate  
12 license of said LAZARO occurs within two (2) years from the effective date of this Order, the  
13 entire stay hereby granted this Order, as to said LAZARO only, shall become permanent.

14 2) Sixty (60) days of said suspension shall be stayed for two (2) years upon the  
15 following terms and conditions:

16 a) LAZARO shall obey all laws, rules and regulations governing the rights, duties  
17 and responsibilities of a real estate licensee in the State of California; and,

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

23 3) All licenses and licensing rights of LAZARO are indefinitely suspended unless or  
24 until LAZARO provides proof satisfactory to the Commissioner, of having taken and  
25 successfully completed the continuing education course on trust fund accounting and handling  
26 specified in paragraph (3) of subdivision (a) of Section 10170.5 of the Code. Proof of  
27 satisfaction of these requirements includes evidence that LAZARO has successfully completed

1 the trust fund account and handling continuing education courses, no earlier than 120 days prior  
2 to the effective date of the Decision and Order in this matter. Proof of completion of the trust  
3 fund accounting and handling course must be delivered to the Department of Real Estate, Flag  
4 Section at P.O. Box 137013, Sacramento, CA 95813-7013 or by fax at 916-263-8758, prior to the  
5 effective date of this Decision and Order.

6 III

7 1) Pursuant to Section 10148 of the Code, Respondents shall jointly and severally  
8 pay the sum of \$4,443.37 for the Commissioner's cost of the audit which led to this disciplinary  
9 action. Respondents shall pay such cost within sixty (60) days of receiving an invoice therefore  
10 from the Commissioner. Payment of audit costs should not be made until Respondents receive  
11 the invoice. If Respondents fail to satisfy this condition in a timely manner as provided for  
12 herein, Respondents' real estate license shall automatically be suspended until payment is made  
13 in full, or until a decision providing otherwise is adopted following a hearing held pursuant to  
14 this condition.

15 2) Pursuant to Section 10148 of the Code, Respondents shall pay the Commissioner's  
16 reasonable cost, not to exceed \$5,554.21, for an audit to determine if Respondents have corrected  
17 the violation(s) found in the Determination of Issues. In calculating the amount of the  
18 Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary  
19 for all persons performing audits of real estate brokers, and shall include an allocation for travel  
20 time to and from the auditor's place of work. Respondents shall pay such cost within sixty (60)  
21 days of receiving an invoice therefore from the Commissioner. Payment of the audit costs should  
22 not be made until Respondents receive the invoice. If Respondents fail to satisfy this condition  
23 in a timely manner as provided for herein, Respondents' real estate license shall automatically be  
24 suspended until payment is made in full, or until a decision providing otherwise is adopted  
25 following a hearing held pursuant to this condition.

1 6-March-19  
DATED

  
TRULY SUGHRUE  
Counsel for Complainant

3 \* \* \*

4 I have read the Stipulation and Agreement, and its terms are understood by me  
5 and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the  
6 California Administrative Procedure Act, and I willingly, intelligently and voluntarily waive  
7 those rights, including the right of requiring the Commissioner to prove the allegations in the  
8 Accusation at a hearing at which I would have the right to cross-examine witnesses against me  
9 and to present evidence in defense and mitigation of the charges.

10 Respondents further agree to send the original signed Stipulation by mail to the  
11 following address no later than one (1) week from the date the Stipulation is signed by  
12 Respondents: *Department of Real Estate, Legal Section, P.O. Box 137007, Sacramento,*  
13 *California 95813-7007.* Respondents understand and agree that if they fail to return the original  
14 signed Stipulation by the due date, Complainant retains the right to set this matter for hearing.

16 2/26/19  
DATED

  
John Lee Lazaro, on behalf of  
MENDO REALTY PROPERTY  
MANAGEMENT, INC  
Respondent

20 2/26/19  
DATED

  
JOHN LEE LAZARO  
Respondent

22 \* \* \*

23 The foregoing Stipulation and Agreement is hereby adopted as my Decision and  
24 Order and shall become effective at 12 o'clock noon on **MAY 03 2019**  
25

26 IT IS SO ORDERED April 10, 2019  
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DANIEL J. SANDRI  
ACTING REAL ESTATE COMMISSIONER

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*Daniel J. Sandri*

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