

FILED

JUL 28 2026

DEPARTMENT OF REAL ESTATE
By J. Herrlinger

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

In the Matter of the Accusation of	)	DRE No. H-12742 SF
	)	OAH No. 2025110905
THESFPROPERTYMANAGEMENT, INC.;	)	
	)	<u>STIPULATION AND</u>
ALAN WAYNE KAPLAN, individually and	)	<u>AGREEMENT IN SETTLEMENT</u>
as designated officer of	)	<u>AND ORDER</u>
TheSFPropertyManagement, Inc.;	)	
	)	
NAEEM FAROKHNIA, individually	)	
and as chief executive officer of	)	
TheSFPropertyManagement, Inc.,	)	
	)	
Respondents.	)	

It is hereby stipulated by and between Respondent
THESFPROPERTYMANAGEMENT, INC. and Respondent NAEEM FAROKHNIA
(collectively "Respondents"), acting by and through their attorney, Fred Ray of Ray & Bishop
PLC, and the Department of Real Estate ("Department" or "Complainant"), acting by and
through Taylor Herrlinger, Counsel for the Department of Real Estate, as follows for the purpose
of settling and disposing of the Accusation filed on June 17, 2025 ("Accusation"), 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 Department in this
6 proceeding.

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

15 4. This Stipulation is based on the factual allegations contained in the Accusation
16 filed in this proceeding. In the interest of expedience and economy, Respondents choose not to
17 contest these factual allegations, but to remain silent and understand that, as a result thereof,
18 these factual statements will serve as a prima facie basis for the disciplinary action stipulated to
19 herein. The Real Estate Commissioner shall not be required to provide further evidence to prove
20 such 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 not any other proceeding or case
23 in which the Department, or another licensing agency of this state, another state, or the federal
24 government is involved, and otherwise shall not be admissible in any criminal or civil
25 proceeding.

26 6. It is understood by the parties that the Real Estate Commissioner may adopt
27 this Stipulation as her Decision in this matter, thereby imposing the penalty and sanctions on

1 Respondents' real estate licenses and license rights as set forth in the below "Order." In the
2 event that the Commissioner in her discretion does not adopt the Stipulation, the Stipulation shall
3 be void and of no effect and Respondents shall retain the right to a hearing and proceed on the
4 Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver
5 made herein.

6 7. The Order or any subsequent Order of the Real Estate Commissioner made
7 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further
8 administrative or civil proceedings by the Department with respect to any matters which were
9 not specifically alleged to be causes for accusation in this proceeding.

10 **DETERMINATION OF ISSUES**

11 By reason of the foregoing, and solely for the purpose of settlement of the
12 pending Accusation without a hearing, it is stipulated and agreed that the following
13 Determination of Issues shall be made:

14 The conduct, acts or omissions of Respondents
15 THESFPROPERTYMANAGEMENT, INC. and NAEEM FAROKHNIA, as set forth in the
16 Accusation, are in violation of California Business and Professions Code ("Code") Sections
17 10145/10137 and are a basis for discipline of Respondents
18 THESFPROPERTYMANAGEMENT INC.'s and NAEEM FAROKHNIA's licenses and
19 licensing rights pursuant to Code sections 10177(d) and (g).

20 **ORDER**

21 **WHEREFORE, THE FOLLOWING ORDER is hereby made:**

22 **(STAYED SUSPENSION)**

23 **I.**

24 All licenses and licensing rights of Respondents
25 THSFPROPERTYMANAGEMENT INC. and NAEEM FAROKHNIA under the Real Estate
26 Law are each suspended for a period of thirty (30) days from the effective date of this Order;
27 provided, however, that:

1 1. fifteen (15) days of each Respondents' suspensions shall be stayed upon the
2 following terms and conditions:

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

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

12 2. The remaining fifteen (15) days of each Respondents' suspensions shall be
13 stayed upon the following condition:

14 a. THESFPROPERTYMANAGEMENT, INC. and NAEEM FAROKHNIA
15 petition pursuant to Section 10175.2 of the Code, and each pay a monetary penalty pursuant to
16 Section 10175.2 of the Code at a rate of \$50 for each day of the suspensions for a total monetary
17 penalty of \$1,500.00. or \$750.00, respectively. Said payment shall be in the form of a cashier's
18 check made payable to the Department of Real Estate and delivered to the Department of Real
19 Estate, Flag Section, 651 Bannon Street, Suite 504, Sacramento, California 95811.

20 b. If THESFPROPERTYMANAGEMENT, INC. or NAEEM
21 FAROKHNIA fail to pay their respective monetary penalty as provided above prior to the
22 effective date of this Order, the stay of suspension shall be vacated as to
23 THESFPROPERTYMANAGEMENT, INC. or NAEEM FAROKHNIA, respectively, and the
24 order of suspension shall be immediately executed, under this Order, in which event
25 THESFPROPERTYMANAGEMENT, INC. or NAEEM FAROKHNIA, respectively, shall not
26 be entitled to any repayment nor credit, prorated or otherwise, for the money paid to the
27 Department under the terms of this Order.

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

7 **(AUDIT COSTS)**

8 **II.**

9 Pursuant to Code section 10148, Respondent

10 THESFPROPERTYMANAGEMENT, INC. shall pay the Commissioner's reasonable costs for
11 the audit which led to this disciplinary action in the amount of \$7,401.00. Respondent shall pay
12 such costs within sixty (60) days of receiving an invoice therefor from the Commissioner.

13 Payment of the audit costs should not be made until Respondent receives the invoice. If
14 Respondent fails to satisfy this condition in a timely manner as provided for herein,
15 Respondent's real estate license shall automatically be suspended until payment is made in full,
16 or until a decision providing otherwise is adopted following a hearing held pursuant to this
17 condition.

18 **(SUBSEQUENT AUDIT COSTS)**

19 **III.**

20 Pursuant to Code section 10148, Respondent

21 THESFPROPERTYMANAGEMENT, INC. shall pay the Commissioner's reasonable costs, not
22 to exceed \$9,251.25, for a subsequent audit to determine if Respondent has corrected the
23 violations found in the Determination of Issues. In calculating the amount of the
24 Commissioner's reasonable costs, the Commissioner may use the estimated average hourly
25 salary for all persons performing audits of real estate brokers, and shall include an allocation for
26 travel time to and from the auditor's place of work. Respondent shall pay such costs within sixty
27 (60) days of receiving an invoice therefor from the Commissioner. If Respondent fails to satisfy

1 this condition in a timely manner as provided for herein, Respondent's real estate license shall
2 automatically be suspended until payment is made in full, or until a decision providing otherwise
3 is adopted following a hearing held pursuant to this condition.

4 **(INVESTIGATION AND ENFORCEMENT COSTS)**

5 IV.

6 All licenses and license rights of Respondents

7 THESFPROPERTYMANAGEMENT, INC. and NAEEM FAROKHNIA are indefinitely
8 suspended, unless or until Respondents, jointly and severally, pay the sum of \$882.10 for the
9 Commissioner's reasonable costs of the investigation and enforcement that led to this
10 disciplinary action. Said payment shall be in the form of a cashier's check made payable to the
11 Department of Real Estate. The investigative and enforcement costs must be delivered to the
12 Department of Real Estate, Flag Section at 651 Bannon Street, Suite 504, Sacramento, CA
13 95811, **prior to the effective date of this Decision and Order.** Payment of investigation and
14 enforcement costs should not be made until the Stipulation has been approved by the
15 Commissioner.

16
17 DATED: May 29, 2026

Taylor Herrlinger

Taylor Herrlinger, Counsel for
Department of Real Estate

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19 * * *

20 **EXECUTION OF THE STIPULATION**

21 Respondents have read the Stipulation, discussed it with their counsel, and its
22 terms are understood by Respondents and are agreeable and acceptable to Respondents.
23 Respondents understand that Respondents are waiving rights given to them by the California
24 Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and
25 11513 of the Government Code), and Respondents willingly, intelligently and voluntarily waive
26 those rights, including the right of requiring the Commissioner to prove the allegations in the
27

1 Accusation at a hearing at which Respondents would have the right to cross-examine witnesses
2 against them and to present evidence in defense and mitigation of the charges.

3 Respondents agree, acknowledge, and understand that Respondents cannot
4 rescind or amend this Stipulation and Agreement. By signing this Stipulation, Respondents
5 understand and agree that Respondents may not withdraw Respondents' agreement or seek to
6 rescind the Stipulation prior to the time the Commissioner considers and acts upon it or prior to
7 the effective date of the Stipulation and Order.

8 Respondents can signify acceptance and approval of the terms and conditions of
9 this Stipulation and Agreement by electronically e-mailing a copy of the signature page, as
10 actually signed by Respondents, to the Department. Respondents agree, acknowledge, and
11 understand that by electronically sending to the Department an electronic copy of Respondents'
12 actual signatures, as they appear on the Stipulation, that receipt of the emailed copy by the
13 Department shall be as binding on Respondents as if the Department had received the original
14 signed Stipulation. Alternatively, Respondents can signify acceptance and approval of the terms
15 and conditions of this Stipulation and Agreement by mailing the original signed Stipulation and
16 Agreement to: Taylor Herrlinger, Department of Real Estate, 651 Bannon Street, Suite 507,
17 Sacramento, California 95811.

18 Dated: **05-31-2026**



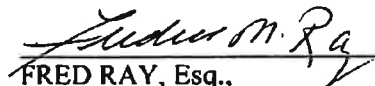
THESEFPROPERTYMANAGEMENT, INC.,
by and through Naeem Farokhnia,
Respondent

22 Dated: **05-31-2026**



NAEEM FAROKH Nia,
Respondent

25 Dated: **5/31/2026**



FRED RAY, Esq.,
Counsel for Respondents

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
Respondents THESFPROPERTYMANAGEMENT, INC. and NAEEM FAROKHNIA, and shall
become effective at 12 o'clock noon on AUG 17 2026.

IT IS SO ORDERED 7/16/2022.

CHIKA SUNQUIST
REAL ESTATE COMMISSIONER



By: Marcus L. McCarther
Chief Deputy Real Estate Commissioner