

1 TAYLOR HERRLINGER, Counsel (314791)
2 Department of Real Estate
3 651 Bannon Street, Suite 507
4 Sacramento, CA 95811
5 Telephone: (916) 737-4498
6 Email: Taylor.Herrlinger@dre.ca.gov

FILED
JUL 23 2026
DEPARTMENT OF REAL ESTATE
By J. Taggart

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10 BEFORE THE DEPARTMENT OF REAL ESTATE
11 STATE OF CALIFORNIA

12 * * *

13 In the Matter of the Accusation of	)	DRE No. H-12758 SF
	)	OAH No. 2025110896
14 MLCSPACES INC.,	)	
	)	<u>STIPULATION AND</u>
15 HERVE VATINEL, individually and as	)	<u>AGREEMENT IN SETTLEMENT</u>
16 designated officer of MLCSpaces Inc.,	)	<u>AND ORDER</u>
	)	
17 NAEEM FAROKHNIA, individually,	)	
	)	
18 Respondents.	)	

19
20 It is hereby stipulated by and between Respondent MLCSPACES INC. and
21 Respondent NAEEM FAROKHNIA (collectively "Respondents"), acting by and through their
22 attorney, Fred Ray of Ray & Bishop PLC, and the Department of Real Estate ("Department" or
23 "Complainant"), acting by and through Taylor Herrlinger, Counsel for the Department of Real
24 Estate, as follows for the purpose of settling and disposing of the Accusation filed on June 18,
25 2025 ("Accusation"), in this matter:

26 1. All issues which were to be contested and all evidence which was to be
27 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 it in connection with the hearing such as the right to present evidence in
14 its defense, and the 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 MLCSPACES INC. and NAEEM
15 FAROKH Nia as set forth in the Accusation, are in violation of California Business and
16 Professions Code ("Code") Sections 10145/10137 and are grounds for discipline of Respondents
17 MLCSPACES INC.'s and NAEEM FAROKH Nia's licenses and licensing rights pursuant to
18 Code sections 10177(d) and (g).

19 **ORDER**

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

21 **I.**

22 **MLCSPACES INC.**

23 Respondent MLCSPACES INC., by separate Voluntary Surrender Declaration to
24 be executed by MLCSPACES INC. contemporaneously with this Stipulation and submitted to
25 the Department, within thirty (30) days of the effective date of this Order, shall voluntarily
26 surrender its real estate corporation license issued by the Department, pursuant to Code Section
27 10100.2.

1 If Respondent MLCSPACES INC. fails to surrender its real estate license as
2 provided for herein, Respondent MLCSPACES INC.'s real estate license shall automatically be
3 suspended until Respondent MLCSPACES INC. surrenders its license to the Department.

4 In the event that Respondent MLCSPACES INC. reapplies to the Department for
5 a real estate license or petitions for reinstatement after surrendering its license, Respondent
6 MLCSPACES INC. shall pay the sum total of \$5,808.00 amounting to the Commissioner's
7 reasonable costs for the audit which led to this disciplinary action pursuant to Code Section
8 10148. Said payment shall be in the form of a cashier's check made payable to the Department of
9 Real Estate, Flag Section at 651 Bannon Street, Suite 504, Sacramento, CA 95811.

10 **II.**

11 **NAEEM FAROKHNIA**

12 1. All licenses and licensing rights of NAEEM FAROKHNIA under the Real
13 Estate Law are suspended for a period of thirty (30) days from the effective date of this Decision
14 and Order; provided, however, that:

15 a. Fifteen (15) days of said suspension shall be stayed, upon the condition
16 that NAEEM FAROKHNIA petitions pursuant to Section 10175.2 of the Code and pays a
17 monetary penalty pursuant to Section 10175.2 of the Code at a rate of \$50.00 for each day of the
18 suspension for a total monetary penalty of \$750.00.

19 i. Said payment shall be in the form of a cashier's check made
20 payable to the Department of Real Estate and delivered to the Department of Real Estate, Flag
21 Section, 651 Bannon Street, Suite 504, Sacramento, California 95811, prior to the effective date
22 of this Order.

23 ii. No further cause for disciplinary action against the Real Estate
24 licenses of NAEEM FAROKHNIA occurs within two (2) years from the effective date of the
25 Decision and Order in this matter.

iii. If NAEEM FAROKHNIA fails to pay the monetary penalty as provided above prior to the effective date of this Stipulation, the suspension shall go into effect automatically.

iv. If NAEEM FAROKHNIA timely pays the monetary penalty and any other moneys due under this Stipulation; and if no further cause for disciplinary action against the real estate license of NAEEM FAROKHNIA occurs within two (2) years from the effective date of this Stipulation, the entire stay hereby granted pursuant to this Stipulation as to NAEEM FAROKHNIA shall become permanent.

2. The remaining fifteen (15) days of said suspension shall also be stayed for two (2) years upon the following terms and conditions:

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

b. That no final subsequent determination be made, after hearing or upon stipulation, that cause for disciplinary action occurred within two (2) years from the effective date of this Stipulation. Should such a determination be made, the Commissioner may, in her 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.

III.

MLCSPACES INC. and NAEEM FAROKHNIA

1. All licenses and license rights of Respondents MLCSPACES INC. and NAEEM FAROKHNIA are indefinitely suspended, unless or until Respondents, jointly and severally, pay the sum of \$1,239.35 for the Commissioner's reasonable costs of the investigation and enforcement that led to this disciplinary action. Said payment shall be in the form of a cashier's check made payable to the Department of Real Estate. The investigative and enforcement costs must be delivered to the Department of Real Estate, Flag Section at 651 Bannon Street, Suite 504, Sacramento, CA 95811, **prior to the effective date of this Decision**

1 **and Order.** Payment of investigation and enforcement costs should not be made until the
2 Stipulation has been approved by the Commissioner.

3
4 DATED: May 29, 2026

Taylor Herrlinger
Taylor Herrlinger, Counsel for
Department of Real Estate

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7 * * *

8 **EXECUTION OF THE STIPULATION**

9 Respondents have read the Stipulation, and its terms are understood by
10 Respondents and are agreeable and acceptable to Respondents. Respondents understand that
11 Respondents are waiving rights given to them by the California Administrative Procedure Act
12 (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code),
13 and Respondents willingly, intelligently and voluntarily waive those rights, including the right of
14 requiring the Commissioner to prove the allegations in the Accusation at a hearing at which
15 Respondents would have the right to cross-examine witnesses against them and to present
16 evidence in defense and mitigation of the charges.

17 Respondents agree, acknowledge, and understand that Respondents cannot
18 rescind or amend this Stipulation and Agreement. By signing this Stipulation, Respondents
19 understand and agree that Respondents may not withdraw Respondents' agreement or seek to
20 rescind the Stipulation prior to the time the Commissioner considers and acts upon it or prior to
21 the effective date of the Stipulation and Order.

22 Respondents can signify acceptance and approval of the terms and conditions of
23 this Stipulation and Agreement by electronically e-mailing a copy of the signature page, as
24 actually signed by Respondents, to the Department. Respondents agree, acknowledge, and
25 understand that by electronically sending to the Department an electronic copy of Respondents'
26 actual signature, as it appears on the Stipulation, that receipt of the emailed copy by the
27

1 Department shall be as binding on Respondents as if the Department had received the original
2 signed Stipulation. Alternatively, Respondents can signify acceptance and approval of the terms
3 and conditions of this Stipulation and Agreement by mailing the original signed Stipulation and
4 Agreement to: Taylor Herrlinger, Department of Real Estate, 651 Bannon Street, Suite 507,
5 Sacramento, California 95811.

6
7 Dated: 05-31-2026

Nk
MLCSPACES INC., by and through
Naeem Farokhnia,
Respondent

10
11 Dated: 05-31-2026

Nk
NAEEM FAROKHNIA
Respondent

14
15 Dated: 5/31/2026

Fred M. Ray
FRED RAY, Esq.,
Counsel for Respondents

17 * * *

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

21 IT IS SO ORDERED 7/16/2026

22
23
24 CHIKA SUNQUIST
REAL ESTATE COMMISSIONER

25 Marcus L. McCarther
26 By: Marcus L. McCarther
27 Chief Deputy Real Estate Commissioner

1 TAYLOR HERRLINGER, Counsel (314791)
2 Department of Real Estate
3 651 Bannon Street, Suite 507
4 Sacramento, CA 95811
5 Telephone: (916) 737-4498
6 Email: Taylor.Herrlinger@dre.ca.gov

FILED
JUL 23 2026
DEPARTMENT OF REAL ESTATE
By J. Taggart

7 BEFORE THE DEPARTMENT OF REAL ESTATE
8 STATE OF CALIFORNIA

9 * * *

10 In the Matter of the Accusation of:) DRE No. H-12758 SF
11 MLCSPACES INC.,)
12)
13 HERVE VATINEL, individually and as)
14 designated officer of MLCSpaces Inc.,)
15 NAEEM FAROKHNIA, individually,)
16 Respondents.)

17 ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

18 On June 18, 2025, an Accusation was filed in this matter against Respondent
19 MLCSPACES INC. ("Respondent"). On June 3, 2026, Respondent petitioned the Commissioner to
20 voluntarily surrender its real estate corporation license pursuant to Section 10100.2 of the Business
21 and Professions Code.

22 IT IS HEREBY ORDERED that Respondent MLCSPACES INC.'s petition for
23 voluntary surrender of its real estate corporation license is accepted as of the effective date of this
24 Order as set forth below, based upon the understanding and agreement expressed in Respondent's
25 Declaration dated June 3, 2026 (attached as Exhibit "A" hereto). Respondent's license certificate
26 and pocket card shall be sent to the below-listed address so that they reach the Department of Real
27 Estate on or before the effective date of this Order:

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DEPARTMENT OF REAL ESTATE
Attention: Licensing Flag Section
651 Bannon Street, Ste 504
Sacramento, CA 95811

AUG 12 2026

This Order shall become effective at 12 o'clock noon on _____.

DATED: 7/16/2024

CHIKA SUNQUIST
REAL ESTATE COMMISSIONER



By: Marcus McCarther
Chief Deputy Real Estate Commissioner

1 TAYLOR HERRLINGER, Counsel (314791)
2 Department of Real Estate
3 651 Bannan Street, Suite 507
4 Sacramento, CA 95811
5 Telephone: (916) 737-4498
6 Email: Taylor.Herrlinger@dre.ca.gov
7

8 BEFORE THE DEPARTMENT OF REAL ESTATE
9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of) DRE No. H-12758 SF
12)
13 MLCSPACES INC.,) VOLUNTARY SURRENDER
14) DECLARATION
15 HERVE VATINEL, individually and as)
16 designated officer of MLCSpaces Inc.,)
17 NAEEM FAROKHNIA, individually,)
18 Respondents.)
19)

20 DECLARATION

21 My name is NAEEM FAROKHNIA, and I am the Chief Executive Officer of
22 MLCSPACES INC., which is currently licensed as a real estate corporation and/or has license
23 rights with respect to said license (DRE license no. 02177375). I am authorized and empowered to
24 sign this declaration on behalf of MLCSPACES INC. I am acting on behalf of MLCSPACES INC.
25 in this matter. MLCSPACES INC. and I are represented by attorney Fred Ray of Ray & Bishop
26 PLC.
27

1 In lieu of proceeding in this matter in accordance with the provisions of the
2 Administrative Procedure Act (Sections 11400 et seq., of the Government Code), MLCSPACES
3 INC. wishes to voluntarily surrender its real estate license issued by the Department of Real Estate
4 ("Department"), pursuant to Business and Professions Code Section 10100.2.

5 I understand that MLCSPACES INC., by voluntarily surrendering its license, can be
6 relicensed as a broker or issued a new mortgage loan originator endorsement, only by petitioning
7 for reinstatement pursuant to Section 11522 of the Government Code. I also understand that by so
8 voluntarily surrendering its license, MLCSPACES INC. agrees to the following:

9 1. The filing of this Declaration shall be deemed as its petition for voluntary
10 surrender.

11 2. It shall also be deemed to be an understanding and agreement by
12 MLCSPACES INC. that it waives all rights it has to require the Commissioner to prove the
13 allegations contained in the Accusation filed in this matter at a hearing held in accordance with the
14 provisions of the Administrative Procedure Act (Government Code Sections 11400 et seq.), and that
15 it also waives other rights afforded to it in connection with the hearing such as the right to
16 discovery, the right to present evidence in defense of the allegations in the Accusation and the right
17 to cross-examine witnesses.

18 3. It shall also be deemed to be an understanding and agreement by
19 MLCSPACES INC. that upon acceptance by the Commissioner, as evidenced by an appropriate
20 order, all affidavits and all relevant evidence obtained by the Department in this matter prior to the
21 Commissioner's acceptance, and all allegations contained in the Accusation filed in the Department
22 Case No. H-12758 SF, may be considered by the Department to be true and correct for the purpose
23 of deciding whether to grant relicensure or reinstatement pursuant to Government Code Section
24 11522.

25 4. MLCSPACES INC. further understands and agrees that prior to and as a
26 condition of any petition for reinstatement made pursuant to Government Code section 11522 being
27 granted, it agrees to pay the Commissioner's reasonable cost of the investigation which led to the

1 disciplinary action in Department Case No. H-12758 SF. The amount of said costs is \$1,239.25.

2 5. MLCSPACES INC. freely and voluntarily surrenders all its licenses and
3 license rights under the Real Estate Law.

4 I declare under penalty of perjury under the laws of the State of California that the
5 above is true and correct and that this declaration was executed June 3, 2026, at
6 San Francisco, California.

7
8 

9 MLCSPACES INC., by and through,
10 Chief Executive Officer, Naeem Farokhnia