


1 Department of Real Estate  
2 320 W. 4<sup>th</sup> St., Room 350  
3 Los Angeles, California 90013  
4 Telephone: (213) 576-6982

**FILED**  
SEP 13 2007  
DEPARTMENT OF REAL ESTATE



8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of ) No. H-33797 LA  
12 ) L-2007 030 976  
13 M. MICHAEL SIMPSON, )  
14 and MICHAEL STAMBAUGH, ) STIPULATION AND AGREEMENT  
15 Respondents. )

16 It is hereby stipulated by and between M. MICHAEL  
17 SIMPSON and MICHAEL STAMBAUGH (sometimes referred to as  
18 Respondents), and their attorney, Alan D. Wallace, and the  
19 Complainant, acting by and through James R. Peel, Counsel for  
20 the Department of Real Estate, as follows for the purpose of  
21 settling and disposing of the Accusation filed on March 9, 2007,  
22 in this matter.

23  
24 1. All issues which were to be contested and all  
25 evidence which was to be presented by Complainant and  
26 Respondents at a formal hearing on the Accusation, which hearing  
27 was to be held in accordance with the provisions of the

1 Administrative Procedure Act ("APA"), shall instead and in place  
2 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  
5 Statement to Respondent, the Discovery Provisions of the  
6 Administrative Procedure Act ("APA") and the Accusation filed by  
7 the Department of Real Estate in this proceeding.

8 3. On March 27, 2007, Respondents filed a Notice of  
9 Defense pursuant to Section 11506 of the Government Code for the  
10 purpose of requesting a hearing on the allegations in the  
11 Accusation. Respondents hereby freely and voluntarily withdraw  
12 said Notices of Defense. Respondents acknowledges that they  
13 understand that by withdrawing said Notice of Defense they will  
14 thereby waive their right to require the Commissioner to prove  
15 the allegations in the Accusation at a contested hearing held in  
16 accordance with the provisions of the APA and that they will  
17 waive other rights afforded to them in connection with the  
18 hearing, such as the right to present evidence in defense of the  
19 allegations in the Accusation and the right to cross-examine  
20 witnesses.

21 4. This Stipulation is based on the factual  
22 allegations contained in the Accusation filed in this  
23 proceeding. In the interest of expedience and economy,  
24 Respondents choose not to contest these factual allegations, but  
25 to remain silent and understand that, as a result thereof, these  
26 factual statements, will serve as a prima facie basis for the  
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1 disciplinary action stipulated to herein. The Real Estate  
2 Commissioner shall not be required to provide further evidence  
3 to prove such allegations.

4 5. This Stipulation and Respondents' decision not to  
5 contest the Accusation is made for the purpose of reaching an  
6 agreed disposition of this proceeding and is expressly limited  
7 to this proceeding and any other proceeding or case in which the  
8 Department of Real Estate ("Department"), the state or federal  
9 government, or an agency of this state, another state or the  
10 federal government is involved.

11 6. It is understood by the parties that the Real  
12 Estate Commissioner may adopt the Stipulation as his decision  
13 in this matter thereby imposing the penalty and sanctions on  
14 Respondents' real estate licenses and license rights as set  
15 forth in the below "Order". In the event that the Commissioner  
16 in his discretion does not adopt the Stipulation, the  
17 Stipulation shall be void and of no effect, and Respondents  
18 shall retain the right to a hearing on the Accusation under all  
19 the provisions of the APA and shall not be bound by any  
20 stipulation or waiver made herein.

22 7. The Order or any subsequent Order of the Real  
23 Estate Commissioner made pursuant to this Stipulation shall not  
24 constitute an estoppel, merger or bar to any further  
25 administrative or civil proceedings by the Department of Real  
26 Estate with respect to any conduct which was not specifically  
27 alleged to be causes for accusation in this proceeding.

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DETERMINATION OF ISSUES

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

The conduct, acts and/or omissions of Respondent M. MICHAEL SIMPSON, as set forth in the Accusation, constitutes cause for the suspension or revocation of all of the real estate licenses and license rights of Respondent under the provisions of Sections 10137 and 10177(d) of the Business and Professions Code ("Code") for violation of Code Section 10137.

The conduct, acts and/or omissions of Respondent MICHAEL STAMBAUGH, as set forth in the Accusation, constitutes cause for the suspension or revocation of all of the real estate licenses and license rights of Respondent under the provisions of Section 10177(d) of the Code for violation of Code Section 10130.

ORDER

All licenses and licensing rights of Respondents M. MICHAEL SIMPSON and MICHAEL STAMBAUGH under the Real Estate Law are suspended for a period of ninety (90) days from the effective date of this Decision; provided, however, that sixty (60) days of said suspension shall be stayed for two (2) years upon the following terms and conditions:

1           1. Respondent shall obey all laws, rules and  
2 regulations governing the rights, duties and responsibilities of  
3 a real estate licensee in the State of California; and

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

12           3. Provided, however, that if Respondent petitions,  
13 the remaining thirty (30) days of said ninety (90) day  
14 suspension shall be stayed upon condition that:

15           a. Respondent pays a monetary penalty pursuant to  
16 Section 10175.2 of the Business and Professions Code at the rate  
17 of \$116.66 for each day of the suspension for a total monetary  
18 penalty of \$3,500 or \$7,000 for both Respondents.

19           b. Said payment shall be in the form of a  
20 cashier's check or certified check made payable to the Recovery  
21 Account of the Real Estate Fund. Said check must be received by  
22 the Department prior to the effective date of the Decision in  
23 this matter.  
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1 c. No further cause for disciplinary action  
2 against the real estate licenses of Respondent occurs within two  
3 (2) years from the effective date of the Decision in this  
4 matter.

5 d. If Respondent fails to pay the monetary  
6 penalty in accordance with the terms and conditions of the  
7 Decision, the Commissioner may, without a hearing, order the  
8 immediate execution of all or any part of the stayed thirty (30)  
9 day suspension in which event the Respondent shall not be  
10 entitled to any repayment nor credit, prorated or otherwise, for  
11 money paid to the Department under the terms of this Decision.

12 e. If Respondent pays the monetary penalty and if  
13 no further cause for disciplinary action against the real estate  
14 license of Respondent occurs within two (2) years from the  
15 effective date of the Decision, the stay hereby granted shall  
16 become permanent.  
17

18  
19  
20 DATED: July 5, 2007

James R. Peel  
JAMES R. PEEL, Counsel for the  
Department of Real Estate  
\* \* \*

21  
22  
23 We have read the Stipulation and Agreement, discussed  
24 it with our Counsel, and its terms are understood by us and are  
25 agreeable and acceptable to us. We understand that we are  
26 waiving rights given to us by the California Administrative  
27 Procedure Act (including but not limited to Sections 11506,

1 11508, 11509 and 11513 of the Government Code), and I willingly,  
 2 intelligently and voluntarily waive those rights, including the  
 3 right of requiring the Commissioner to prove the allegations in  
 4 the Accusation at a hearing at which I would have the right to  
 5 cross-examine witnesses against me and to present evidence in  
 6 defense and mitigation of the charges.

7 Respondents can signify acceptance and approval of the  
 8 terms and conditions of this Stipulation and Agreement by faxing  
 9 a copy of the signature page, as actually signed by Respondents,  
 10 to the Department at the following telephone/fax number:  
 11 (213) 576-6917. Respondents agree, acknowledge and understand  
 12 that by electronically sending to the Department a fax copy of  
 13 his or her actual signature as it appears on the Stipulation and  
 14 Agreement, that receipt of the faxed copy by the Department  
 15 shall be as binding on Respondent as if the Department had  
 16 received the original signed Stipulation and Agreement.

17 Further, if Respondents are represented, the  
 18 Respondents' Counsel can signify his or her agreement to the  
 19 terms and conditions of the Stipulation and Agreement by  
 20 submitting that signature via fax.

21  
 22 DATED: \_\_\_\_\_

\_\_\_\_\_  
 M. MICHAEL SIMPSON,  
 Respondent

23  
 24 DATED: 6/18/07

\_\_\_\_\_  
 MICHAEL STAMBAUGH,  
 Respondent

25  
 26 DATED: 6/18/07

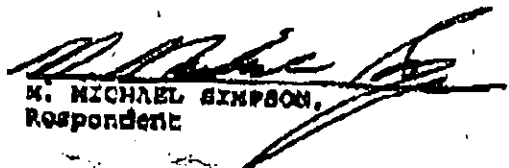
\_\_\_\_\_  
 ALAN D. WALLACE,  
 Counsel for Respondents

11508, 11509 and 11513 of the Government Code), and I willingly, intelligently and voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

Respondents can signify acceptance and approval of the terms and conditions of this Stipulation and Agreement by faxing a copy of the signature page, as actually signed by Respondents, to the Department at the following telephone/fax number: (213) 876-6917. Respondents agree, acknowledge and understand that by electronically sending to the Department a fax copy of his or her actual signature as it appears on the Stipulation and Agreement, that receipt of the faxed copy by the Department shall be as binding on Respondent as if the Department had received the original signed Stipulation and Agreement.

Further, if Respondents are represented, the Respondents' counsel can signify his or her agreement to the terms and conditions of the Stipulation and Agreement by submitting that signature via fax.

22 DATED: 6.18.07

  
M. MICHAEL SIMPSON,  
Respondent

24 DATED: \_\_\_\_\_

MICHAEL STAMBAUGH,  
Respondent

26 DATED: \_\_\_\_\_

ALAN D. WALLACE,  
Counsel for Respondents



1 11508, 11509 and 11513 of the Government Code), and I willingly,  
2 intelligently and voluntarily waive those rights, including the  
3 right of requiring the Commissioner to prove the allegations in  
4 the Accusation at a hearing at which I would have the right to  
5 cross-examine witnesses against me and to present evidence in  
6 defense and mitigation of the charges.

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8 terms and conditions of this Stipulation and Agreement by faxing  
9 a copy of the signature page, as actually signed by Respondents,  
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12 that by electronically sending to the Department a fax copy of  
13 his or her actual signature as it appears on the Stipulation and  
14 Agreement, that receipt of the faxed copy by the Department  
15 shall be as binding on Respondent as if the Department had  
16 received the original signed Stipulation and Agreement.

17 Further, if Respondents are represented, the  
18 Respondents' Counsel can signify his or her agreement to the  
19 terms and conditions of the Stipulation and Agreement by  
20 submitting that signature via fax.

21  
22 DATED: \_\_\_\_\_

\_\_\_\_\_  
M. MICHAEL SIMPSON,  
Respondent

23  
24 DATED: \_\_\_\_\_

\_\_\_\_\_  
MICHAEL STAMBAUGH,  
Respondent

25  
26 DATED: \_\_\_\_\_

\_\_\_\_\_  
ALAN D. WALLACE,  
Counsel for Respondents

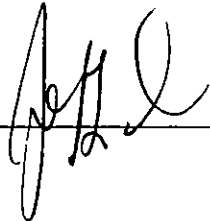
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The foregoing Stipulation and Agreement is hereby  
adopted as my Decision and Order in this matter, and shall  
become effective at 12 o'clock noon on October 3, 2007.

IT IS SO ORDERED 8-9-07

JEFF DAVI  
Real Estate Commissioner

  
\_\_\_\_\_

SAC  
May

**FILED**  
MAR - 9 2007  
DEPARTMENT OF REAL ESTATE

1 JAMES R. PEEL, Counsel (SBN 47055)  
2 Department of Real Estate  
3 320 West Fourth Street, Suite 350  
4 Los Angeles, CA 90013-1105

Telephone: (213) 576-6982  
-or- (213) 576-6913 (Direct)

By 

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of)  
M. MICHAEL SIMPSON,  
and MICHAEL STAMBAUGH,  
Respondents,

No. H-33797 LA

ACCUSATION

The Complainant, Janice A. Waddell, a Deputy Real Estate Commissioner of the State of California, for cause of accusation against M. MICHAEL SIMPSON, and MICHAEL STAMBAUGH, alleges as follows:

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The Complainant, Janice A. Waddell, acting in her official capacity as a Deputy Real Estate Commissioner of the State of California, makes this Accusation against M. MICHAEL SIMPSON, and MICHAEL STAMBAUGH.

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II

M. MICHAEL SIMPSON and MICHAEL STAMBAUGH (hereinafter referred to as "Respondents"), are presently licensed and/or have license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code) (hereinafter Code).

III

At all times herein mentioned, Respondent M. MICHAEL SIMPSON was licensed by the Department of Real Estate of the State of California as a real estate broker.

IV

Respondent MICHAEL STAMBAUGH was licensed as a real estate salesperson from March 11, 2000 through March 10, 2004. Respondent renewed his license effective April 28, 2005.

V

At all times material herein, Respondent M. MICHAEL SIMPSON engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California, within the meaning of Section 10131(a) of the Code, including soliciting buyers and sellers and negotiating the sale of real property.

VI

In connection with Respondent's activities as a real estate broker, as described above, Respondent M. MICHAEL SIMPSON violated Section 10137 of the Code in that he employed or compensated Respondent MICHAEL STAMBAUGH, who was not at the time licensed as a real estate broker or salesperson, to engage in the

1 following activities all of which require a real estate license  
2 under Section 10131(a) of the Code.

3 a. On or about May 5, 2004, negotiate the sale of  
4 property located at 12219 Bonavista, Whittier, California from  
5 Koji Izumi to David Corona.

6 b. On or about July 21, 2004, solicit a listing of  
7 property located at 15152 Carreterra Ave., Whittier, California  
8 from Oscar Novoa.

9 c. On or about July 26, 2004, solicit a listing of  
10 property located at 3733 N. Harbor Blvd. #23, Fullerton,  
11 California from Paul McGinty.

12 d. On or about August 4, 2004, negotiate the sale of  
13 property located at 1240 Carmela Ave., La Habra, California to  
14 Paul McGinty.

15 e. On or about December 31, 2004, negotiate the sale  
16 of property located at 15269 Cedarsprings Drive, Whittier,  
17 California to Joseph Orr.

18 VII

19 The conduct, acts and/or omissions of Respondent M.  
20 MICHAEL SIMPSON, as alleged above, subjects his real estate  
21 licenses and license rights to suspension or revocation pursuant  
22 to Sections 10137, 10177(d) and/or 10177(g) of the Code.

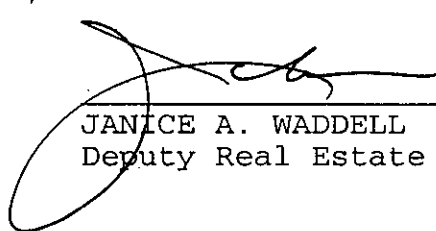
23 VIII

24 The conduct, acts and/or omissions of Respondent  
25 MICHAEL STAMBAUGH, as alleged above, subjects his real estate  
26 license to suspension or revocation pursuant to Sections 10177(d)  
27 and/or 10177(g) of the Code for violation of Code Section 10130.

1                   WHEREFORE, Complainant prays that a hearing be  
2 conducted on the allegations of this Accusation and that upon  
3 proof thereof, a decision be rendered imposing disciplinary  
4 action against all licenses and license rights of Respondents M.  
5 MICHAEL SIMPSON, and MICHAEL STAMBAUGH, under the Real Estate Law  
6 (Part 1 of Division 4 of the Business and Professions Code) and  
7 for such other and further relief as may be proper under other  
8 applicable provisions of law.

9 Dated at Los Angeles, California

10 this 31 day of January, 2007.

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13                     
14                   JANICE A. WADDELL  
15                   Deputy Real Estate Commissioner  
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22

23 cc: M. Michael Simpson  
24       Michael Stambaugh  
25       Janice A. Waddell  
26       Sacto.  
27       V5 Enterprises Inc.