

1 Department of Real Estate  
2 320 West 4th Street, Suite 350  
3 Los Angeles, CA 90013-1105

4 Telephone: (213) 576-6982

**FILED**

APR 6 2010

DEPARTMENT OF REAL ESTATE

BY: 

9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 \* \* \*

12  
13 In the Matter of the Accusation of )  
14 JC LENDING INC., and JULIO )  
15 CESAR HERNANDEZ, indivi- )  
16 dually, and as designated )  
17 officer for JC Lending Inc., )  
Respondents. )  
\_\_\_\_\_ )

No. H-36225 LA  
L-2009101364

STIPULATION & AGREEMENT

18 It is hereby stipulated by and between JULIO CESAR  
19 HERNANDEZ ("HERNANDEZ"), individually, and as designated officer  
20 for JC Lending Inc., and the Complainant, acting by and through  
21 Cheryl Keily, Counsel for the Department of Real Estate  
22 ("Department"), as follows for the purpose of settling and  
23 disposing of the Accusation (the "Accusation") filed on  
24 September 3, 2009.

26 1. All issues which were to be contested and all  
27 evidence which was to be presented by Complainant and HERNANDEZ

1 at a formal hearing on the Accusation, which hearing was to be  
2 held in accordance with the provisions of the Administrative  
3 Procedure Act ("APA"), shall instead and in place thereof be  
4 submitted solely on the basis of the provisions of this  
5 Stipulation and Agreement.  
6

7 2. HERNANDEZ has been served with, read and  
8 understands the Statement to Respondent, the Discovery  
9 Provisions of the APA and the Accusation filed by the Department  
10 of Real Estate in this proceeding.  
11

12 3. On September 29, 2009, HERNANDEZ filed a Notice of  
13 Defense pursuant to section 11505 of the Government Code for the  
14 purpose of requesting a hearing on the allegations in the  
15 Accusation. HERNANDEZ hereby freely and voluntarily withdraws  
16 said Notice of Defense. HERNANDEZ acknowledges that he  
17 understands that by withdrawing said Notice of Defense he will  
18 thereby waive his right to require the Commissioner to prove the  
19 allegations in the Accusation at a contested hearing held in  
20 accordance with the provisions of the APA, and that HERNANDEZ  
21 will waive other rights afforded to him in connection with the  
22 hearing, such as the right to present evidence in defense of the  
23 allegations in the Accusation and the right to cross-examine  
24 witnesses.  
25

26 4. This Stipulation and Agreement is based on the  
27 factual allegations contained in the Accusation filed in this

1 proceeding. In the interest of expedience and economy HERNANDEZ  
2 chooses not to contest these factual allegations, but to remain  
3 silent and understands that, as a result thereof, these factual  
4 statements, without being admitted or denied, will serve as a  
5 prima facie basis for the disciplinary action stipulated to  
6 herein.  
7

8           5. This Stipulation and Agreement and HERNANDEZ's  
9 decision not to contest the Accusation are hereby expressly  
10 limited to this proceeding and made for the sole purpose of  
11 reaching an agreed disposition of this proceeding. HERNANDEZ's  
12 decision not to contest the factual allegations is made solely  
13 for the purpose of effectuating this Stipulation and Agreement  
14 and is intended by HERNANDEZ to be non-binding upon him in any  
15 actions against him by third parties. The Real Estate  
16 Commissioner shall not be required to provide further evidence  
17 to prove such allegations.  
18

19           6. It is understood by the parties that the Real  
20 Estate Commissioner may adopt the Stipulation and Agreement as  
21 his decision in this matter as set forth in the below "Order".  
22 In the event that the Commissioner in his discretion does not  
23 adopt the Stipulation and Agreement, it shall be void and of no  
24 effect, and HERNANDEZ shall retain the right to a hearing and  
25 proceeding on the Accusation under all the provisions of the  
26  
27

1 APA and shall not be bound by any admission or waiver made  
2 herein.

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

10 DETERMINATION OF ISSUES

11 By reason of the foregoing stipulations, admissions  
12 and waivers, and solely for the purpose of settlement of the  
13 pending Accusation without a hearing, it is stipulated and  
14 agreed that the following determination of issues shall be  
15 made:  
16

17 The conduct, acts and/or omissions of HERNANDEZ, set  
18 forth in the Accusation, constitute cause under Business and  
19 Professions Code (the "Code") Sections 10085, 10159.2, 10165,  
20 10177(d) and 10177(h) for suspension or revocation of  
21 HERNANDEZ's license and license rights under the Real Estate  
22 Law.  
23

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I. All licenses and licensing rights of HERNANDEZ  
under the Real Estate law shall be suspended for a period of  
one hundred twenty (120) days from the effective date of this  
Decision.

1. Pursuant to Section 10175.2 of the Code at the  
rate of \$300 for each day of the suspension for a total  
monetary penalty of \$9,000 in total.

3. No further cause for disciplinary action against  
the real estate license of HERNANDEZ occurs within three (3)  
years from the effective date of the Decision in this matter.

5

1 event HERNANDEZ shall not be entitled to any repayment nor  
2 credit, prorated or otherwise, for money paid to the Department  
3 under the terms of this Decision.

4           5. If HERNANDEZ pays the monetary penalty and if no  
5  
6 further cause for disciplinary action against the real estate  
7 license of HERNANDEZ occurs within three (3) years from the  
8 effective date of the Decision, the stay hereby granted shall  
9 become permanent.

10           B. The remaining ninety (90) days of the one hundred  
11  
12 twenty (120) day suspension shall be stayed for three (3) years  
13 upon the following terms and conditions:

14           1. HERNANDEZ shall obey all laws, rules and  
15  
16 regulations governing the rights, duties and responsibilities  
of real estate licensees in the State of California.

17           2. That no final subsequent determination be made,  
18  
19 after hearing or upon stipulation, that cause for disciplinary  
20 action occurred within three (3) years of the effective date of  
21 this Decision. Should such a determination be made, the  
22 Commissioner may, in his discretion, vacate and set aside the  
23 stay order and reimpose all or a portion of the stayed  
24 suspension. Should no such determination be made, the stay  
25 imposed herein shall become permanent.

26           II. Respondent HERNANDEZ shall, within nine (9)  
27  
months from the effective date of this Decision, present

1 evidence satisfactory to the Commissioner that Respondent  
2 HERNANDEZ has, since the most recent issuance of an original or  
3 renewal real estate broker license, taken and successfully  
4 completed the continuing education requirements of Article 2.5  
5 of Chapter 3 of the Real Estate Law for renewal of a real  
6 estate broker license. If Respondent HERNANDEZ fails to  
7 satisfy this condition, the Commissioner may order the  
8 suspension of the broker license of Respondent HERNANDEZ until  
9 Respondent HERNANDEZ presents such evidence. The Commissioner  
10 shall afford Respondent HERNANDEZ the opportunity for a hearing  
11 pursuant to the APA to present such evidence.  
12  
13

14  
15 DATED: March 15, 2010

  
16 CHERYL KEILY, Counsel  
17 DEPARTMENT OF REAL ESTATE

18 \* \* \*

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

1 cross-examine witnesses against me and to present evidence in  
2 defense and mitigation of the charges.

3 Respondent JULIO CESAR HERNANDEZ can signify  
4 acceptance and approval of the terms and conditions of this  
5 Stipulation and Agreement by faxing a copy of its signature  
6 page, as actually signed by Respondent, to the Department at  
7 the following telephone/fax number (213) 576-6917. Respondent  
8 JULIO CESAR HERNANDEZ agrees, acknowledges, and understands  
9 that by electronically sending to the Department a fax copy of  
10 the actual signature as it appears on the Stipulation and  
11 Agreement, that receipt of the faxed copy by the Department  
12 shall be as binding on him as if the Department had received  
13 the original signed Stipulation and Agreement.  
14  
15

16  
17 DATED: 3/5/10

  
JULIO CESAR HERNANDEZ

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1                   ORDER PURSUANT TO STIPULATION AND AGREEMENT

2                   The foregoing Stipulation and Agreement is hereby  
3                   adopted by me as my Decision in this matter as to JULIO CESAR  
4                   HERNANDEZ, and shall become effective on APR 26 2010  
5                   \_\_\_\_\_.

6                   IS IT SO ORDERED 3/19/, 2010.

7  
8                   JEFF DAVI  
9                   Real Estate Commissioner

10                   \_\_\_\_\_  
11                   \_\_\_\_\_  
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FILED

APR 6 2010

DEPARTMENT OF REAL ESTATE

BY: [Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

\* \* \*

In the Matter of the Accusation of ) No. H-36225 LA  
JC LENDING INC., and JULIO CESAR ) L-2009101364  
HERNANDEZ, individually, and as )  
designated officer of JC Lending )  
Inc., )  
Respondent(s). )

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On September 3, 2009, an Accusation was filed in this matter against Respondent JC LENDING INC.

On March 5, 2010, Respondent petitioned the Commissioner to voluntarily surrender its real estate license(s) pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent JC LENDING INC.'s petition for voluntary surrender of its real estate license(s) is accepted as of the effective date of this Order as set forth below, based upon the understanding and agreement expressed in Respondent's Declaration dated March 5, 2010 (attached as Exhibit "A" hereto). Respondent's license certificate(s), pocket card(s)

1 and any branch office license certificate(s) shall be sent to the  
2 below listed address so that they reach the Department on or  
3 before the effective date of this Order:

4 DEPARTMENT OF REAL ESTATE  
5 Attn: Licensing Flag Section  
6 P. O. Box 187000  
7 Sacramento, CA 95818-7000

8 This Order shall become effective at 12 o'clock noon  
9 on APR 26 2010, 2010.

10 DATED: 3/29, 2010

11 JEFF DAVI  
12 Real Estate Commissioner  
13  
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Exhibit "A"

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Accusation of ) No. H-36225 LA  
)  
JC LENDING INC., and JULIO )  
CESAR HERNANDEZ, indivi- )  
dually, and as designated )  
officer of JC Lending Inc., )  
)  
)  
Respondents. )  
\_\_\_\_\_ )

DECLARATION

My name is Julio Cesar Hernandez. JC LENDING INC. is licensed as a real estate corporation and/or has license rights with respect to said license. I am currently an officer of JC LENDING INC., and am authorized and empowered to sign this declaration on behalf of JC LENDING INC.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Government Code) JC LENDING INC. wishes to voluntarily surrender its real estate license issued by the

1 Department of Real Estate ("Department"), pursuant to the  
2 provisions of Business and Professions Code Section 10100.2.

3 I understand that JC LENDING INC., by so voluntarily  
4 surrendering its license, may be relicensed as a broker only by  
5 petitioning for reinstatement pursuant to Section 11522 of the  
6 Government Code. I also understand that by so voluntarily  
7 surrendering its license, JC LENDING INC. agrees to the  
8 following:

9 1. The filing of this Declaration shall be deemed as  
10 the petition of JC LENDING INC. for voluntary surrender.

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

21 3. JC LENDING INC. further agrees that upon  
22 acceptance by the Commissioner, as evidenced by an appropriate  
23 order, all affidavits and all relevant evidence obtained by the  
24 Department in this matter prior to the Commissioner's acceptance,  
25 and all allegations contained in the Accusation filed by the  
26 Department in Case No. H-36225 LA, may be considered by the  
27 Department to be true and correct for the purpose of deciding

1 whether to grant relicensure or reinstatement of JC LENDING  
2 INC.'s license pursuant to Government Code Section 11522.

3 4. I am acting freely and voluntarily on behalf of JC  
4 LENDING INC. to surrender its license and all license rights  
5 attached thereto.

6 I declare under penalty of perjury under the laws of  
7 the State of California that the above is true and correct.

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3/5/10  
Date and Place

Julio Cesar Hernandez  
Julio Cesar Hernandez

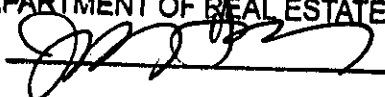
1 CHERYL D. KEILY SBN# 94008  
2 Department of Real Estate  
3 320 West 4th Street, Suite 350  
4 Los Angeles, California 90013-1105

5 Telephone: (213) 576-6982  
6 (Direct) (213) 576-6905

**FILED**

SEP - 3 2009

DEPARTMENT OF REAL ESTATE

BY: 

7  
8  
9 BEFORE THE DEPARTMENT OF REAL ESTATE

10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Accusation of ) No. H- 36225 LA  
13 JC LENDING INC., and JULIO )  
14 CESAR HERNANDEZ, individually, ) A C C U S A T I O N  
15 and as designated officer for )  
16 JC Lending Inc., )  
17 Respondents. )

18 The Complainant, Joseph Aiu, a Deputy Real Estate  
19 Commissioner of the State of California, for cause of Accusation  
20 against JC LENDING INC. ("Respondent JC LENDING") and JULIO  
21 CESAR HERNANDEZ ("Respondent HERNANDEZ"), individually, and as  
22 designated broker-officer of JC LENDING, is informed and alleges  
23 as follows:  
24

25 ///

26 ///

27 ///

1.

The Complainant, Joseph Aiu, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in his official capacity.

2.

Respondent JC LENDING is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code"), as a real estate corporation acting by and through Respondent HERNANDEZ as its designated broker-officer.

3.

Respondent HERNANDEZ is presently licensed and/or has license rights under the Real Estate Law as a real estate broker and designated broker-officer of Respondent JC LENDING.

4.

All further references to respondents herein include Respondents JC LENDING and HERNANDEZ, and also include officers, directors, employees, agents and real estate licensees employed by or associated with JC LENDING and HERNANDEZ, and who at all times herein mentioned were engaged in the furtherance of the business or operations of Respondents JC LENDING and HERNANDEZ, and who were acting within the course and scope of their authority and employment.

5.

From August 13, 2002, to June 1, 2009, Respondent HERNANDEZ, as the officer designated by Respondent JC LENDING



1 pursuant to Section 10211 of the Code, was responsible for the  
2 supervision and control of the activities conducted on behalf of  
3 Respondent JC LENDING by its officers and employees as necessary  
4 to secure full compliance with the Real Estate Law as set forth  
5 in Section 10159.2 of the Code.

6 6.

7 Respondent HERNANDEZ ordered, caused, authorized or  
8 participated in the conduct of Respondent JC LENDING, as is  
9 alleged in this Accusation.

10 PRIOR DISCIPLINE

11 7.

12 On or about April 24, 2007, in Case No. H-33538 LA,  
13 the real estate officer license of Respondent HERNANDEZ was  
14 disciplined pursuant to Code Section 10177(g) for violations of  
15 Code Sections 10145, 10159.5 and 10176(g) and Sections 2731,  
16 2831, 2832, 2834, 2950(d) and 2950(h) and 2951 of Title 10,  
17 Chapter 6, California Code of Regulations ("Regulations"). In  
18 addition, the license of Respondent HERNANDEZ was disciplined  
19 pursuant to Code Section 10177(d), (g) and (h) for violation of  
20 Code Section 10159.2. Discipline was imposed on Respondent  
21 HERNANDEZ as follows:  
22

23 (a) license suspension for a period of ninety days  
24 and stayed on terms and conditions;

25 (b) pay the cost of an audit and subsequent audit to  
26 determine compliance with the Real Estate Law;  
27

1 (c) take and pass Professional Responsibility  
2 Examination for Respondent HERNANDEZ; and

3 (d) take and successfully complete continuing  
4 education course on trust fund accounting and handling specified  
5 in paragraph 3 of subdivision (a) of Section 10170.5 of the Code  
6 for Respondent HERNANDEZ.

7 FIRST CAUSE OF ACCUSATION  
8 (Advance Fee Violation)

9 8.

10 At all times herein mentioned, Respondents JC LENDING  
11 and HERNANDEZ engaged in the business of an advance fee  
12 brokerage, within the definition of Code Sections 10131.2 and  
13 10131(d), in that, for fees received in advance, as well as at  
14 the conclusion of transactions, Respondents performed loan  
15 modification services with respect to loans which were secured  
16 by liens on real property, including, but not limited to, the  
17 following:

18 a. On or about December 5, 2008, James Juarez paid  
19 an advance fee of \$4,500 to William Ward on behalf of JC  
20 LENDING, doing business under the fictitious business name "All  
21 State Foreclosure Solutions." The advance fee was collected  
22 pursuant to a written agreement pertaining to loan negotiation  
23 and modification services to be provided with respect to a loan  
24 secured by the real property located at 8264 Gardenia Vista  
25 Drive, Riverside, California 92508.

26 ///

9.

Respondents contracted to collect and/or collected the above described advance fee pursuant to the provisions of a document titled "Homeownership Counseling Acknowledgement," the written agreement described in Paragraph 8a., above. This agreement constitutes an advance fee agreement within the meaning of Code Section 10085.

10.

Respondents failed to submit the written agreement referred to in Paragraphs 7 and 8, above, to the Commissioner ten days before using it in violation of Code Section 10085 and Regulation 2970.

11.

The conduct, acts and/or omissions of Respondents JC LENDING and HERNANDEZ, as set forth above, are cause for the suspension or revocation of the licenses and license rights of Respondent JC LENDING and Respondent HERNANDEZ pursuant to Code Sections 10085, 10177(d) and/or 10177(g).

SECOND CAUSE OF ACCUSATION  
(Unlicensed Activity)

12.

Complainant hereby incorporates by reference the allegations set forth in Paragraphs 1 through 11, above.

///

///

///

13.

1           The activities described in Paragraph 8, above,  
2  
3 require a real estate license under Sections 10131(d) and  
4 10131.2 of the Code.

5           14.

6           Respondents violated Section 10137 of the Code by  
7 employing and/or compensating an individual who was not licensed  
8 as a real estate salesperson or as a broker to perform  
9 activities requiring a license as follows:

10           a.   Respondents employed and/or compensated William  
11 Ward to perform some or all of the services alleged in Paragraph  
12 8, though he was not licensed as a real estate salesperson or  
13 broker.

14           15.

15           The conduct, acts and/or omissions of Respondents, as  
16 set forth in Paragraph 13, above, violate Code Section 10137,  
17 and are cause for the suspension or revocation of the licenses  
18 and license rights of Respondents pursuant to Code Sections  
19 10137, 10177(d) and/or 10177(g).  
20

21                   THIRD CAUSE OF ACCUSATION

22           (Use of Unauthorized Fictitious Business Name)

23           16.

24           Complainant hereby incorporates by reference the  
25 allegations set forth in Paragraphs 1 through 15, above.

26    ///

27    ///

17.

Use of a fictitious business name for activities requiring the issuance of a real estate license requires the filing of an application for the use of such name with the Department of Real Estate ("Department") in accordance with the provisions of Code Section 10159.5.

18.

Respondents acted without Department authorization in using the fictitious business name "All State Foreclosure Solutions" to engage in activities requiring the issuance of a real estate license.

19.

The conduct, acts and/or omissions of Respondents, as set forth in Paragraphs 17 and 18, above, violate Code Section 10159.5 and Section 2731 of the Regulations, and are cause for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Sections 10177(d) and/or 10177(g).

FOURTH CAUSE OF ACCUSATION  
(Branch Office Violation)

20.

Complainant hereby incorporates by reference the allegations set forth in Paragraphs 1 through 19, above.

21.

Respondents engaged in a real estate brokerage business at 4214 Green River Road, Corona, California 92880, a

1 location for which Respondents failed to apply for and procure  
2 from the Department an additional license for the branch office  
3 being maintained by them, in violation of Section 10163 of the  
4 Code.

5 22.

6 The conduct, acts and/or omissions of Respondents, as  
7 set forth in Paragraph 21, above, violate Code Section 10163 and  
8 are cause for the suspension or revocation of the licenses and  
9 license rights of Respondents pursuant to Code Sections 10165,  
10 10177(d) and/or 10177(g).

11 FIFTH CAUSE OF ACCUSATION  
12 (Failure to Supervise)

13 23.

14 Complainant incorporates by reference the allegations  
15 contained in Paragraphs 1 through 22, above.

16 24.

17 Respondent HERNANDEZ ordered, caused, authorized or  
18 participated in the conduct of Respondent JC LENDING, as is  
19 alleged in this Accusation.

20 25.

21 The conduct, acts and/or omissions, of Respondent  
22 HERNANDEZ, in allowing Respondent JC LENDING to violate the Real  
23 Estate Law, as set forth above, constitutes a failure by  
24 HERNANDEZ, as the officer designated by a corporate broker  
25 licensee, to exercise the supervision and control over the  
26 activities of JC LENDING, as required by Code Section 10159.2,  
27

1 and is cause to suspend or revoke the real estate licenses and  
2 license rights of Respondent HERNANDEZ under Code Sections  
3 10177(d), 10177(g) and/or 10177(h).

4 WHEREFORE, Complainant prays that a hearing be  
5 conducted on the allegations of this Accusation and that upon  
6 proof thereof, a decision be rendered imposing disciplinary  
7 action against all the licenses and license rights of Respondent  
8 JC LENDING FINANCIAL INC. and Respondent JULIO CESAR HERNANDEZ,  
9 individually, and as designated broker-officer of Respondent JC  
10 LENDING FINANCIAL INC., under the Real Estate Law, and for such  
11 other and further relief as may be proper under other applicable  
12 provisions of law.

13 Dated at San Diego, California

14 this 28 day of August, 2009.  
15  
16  
17  
18

19   
20 Joseph Aiu  
21 Deputy Real Estate Commissioner  
22  
23  
24  
25

26 cc: JC LENDING FINANCIAL INC.  
27 JASON MICHAEL HERNANDEZ  
Joseph Aiu  
Sacto.