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Department of Real Estate
320 W. 4TH Street, Suite 350
Los Angeles, CA 90013-1105

Telephone: (213) 576-6982

DEPARTMENT OF REAL ESTATE
BY: *Michelle Arlen*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of)

No. H-37168 LA
2011090586

PACIFIC LOAN SOLUTIONS INC,)
PACIFIC RESIDENTIAL INC, JEFFREY)
TORREZ and ANDREW JONATHAN)
HUXHOLD.)

STIPULATION
AND
AGREEMENT

Respondents.)

It is hereby stipulated by and between PACIFIC LOAN SOLUTIONS INC and JEFFREY TORREZ, represented by Edward O. Lear, Esq., and the Complainant, acting by and through James A. Demus, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on March 24, 2011, 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 hearing was to be held in accordance with the provisions of the Administrative

1 Procedure Act ("APA"), shall instead and in place thereof be
2 submitted solely on the basis of the provisions of this
3 Stipulation and Agreement ("Stipulation").

4 2. Respondents have received, read and understand the
5 Statement to Respondent, the Discovery Provisions of the APA and
6 the Accusation filed by the Department of Real Estate in this
7 proceeding.

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

20 4. This Stipulation is based on the factual
21 allegations contained in the Accusation. In the interest of
22 expedience and economy, Respondents choose not to contest these
23 allegations, but to remain silent and understand that, as a
24 result thereof, these factual allegations, without being admitted
25 or denied, will serve as a prima facie basis for the disciplinary
26 action stipulated to herein. The Real Estate Commissioner shall
27 not be required to provide further evidence to prove said factual

1 allegations.

2 5. This Stipulation is made for the purpose of
3 reaching an agreed disposition of this proceeding and is
4 expressly limited to this proceeding and any other proceeding or
5 case in which the Department of Real Estate ("Department"), the
6 state or federal government, or any agency of this state, another
7 state or federal government is a party.

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

18 7. The Order or any subsequent Order of the Real
19 Estate Commissioner made pursuant to this Stipulation shall not
20 constitute an estoppel, merger or bar to any further
21 administrative or civil proceedings by the Department of Real
22 Estate with respect to any matters which were not specifically
23 alleged to be causes for Accusation in this proceeding but do
24 constitute a bar, estoppel and merger as to any allegations
25 actually contained in the Accusation against Respondents herein.

26 8. Respondents understand that by agreeing to this
27 Stipulation, Respondents agree to pay, pursuant to Business and

1 Professions Code Section 10148, the cost of the audit which led
2 to this disciplinary action. The amount of said cost is
3 \$2,676.50.

4 9. Respondents have received, read, and understand the
5 "Notice Concerning Costs of Subsequent Audit." Respondents
6 further understand that by agreeing to this Stipulation, the
7 findings set forth below in the Determination of Issues become
8 final, and the Commissioner may charge Respondents for the cost
9 of any subsequent audit conducted pursuant to Business and
10 Professions Code Section 10148 to determine if the violations
11 have been corrected. The maximum cost of the subsequent audit
12 will not exceed \$2,676.50.

13 DETERMINATION OF ISSUES

14 By reason of the foregoing, it is stipulated and agreed
15 that the following determination of issues shall be made:

16 I.

17 The conduct of PACIFIC LOAN SOLUTIONS INC as described
18 in Paragraph 4, hereinabove, is in violation of Business and
19 Professions Code ("Code") Sections 10145 and 10085 and provides a
20 basis for discipline of its license and license rights pursuant
21 to Code Sections 10177(d) and 10177(g).

22 II.

23 The conduct of JEFFREY TORREZ, as described in
24 Paragraph 4, hereinabove, is in violation of Business and
25 Professions Code ("Code") Sections 10145, 10159.2 and 10085 and
26 provides a basis for discipline of its license and license rights
27 pursuant to Code Sections 10177(d), 10177(g) and 10177(h).

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2 WHEREFORE, THE FOLLOWING ORDER is hereby made:

3 I.

4 All licenses and licensing rights of Respondent
5 PACIFIC LOAN SOLUTIONS INC, under the Real Estate Law are
6 revoked; provided, however, a restricted real estate broker
7 license shall be issued to Respondent pursuant to Section 10156.5
8 of the Business and Professions Code, if Respondent makes
9 application therefore and pays to the Department the appropriate
10 fee within 90 days from the effective date of this Decision.

11 The restricted license issued to Respondent shall be
12 subject to all of the provisions of Section 10156.7 of the
13 Business and Professions Code and to the following limitations,
14 conditions and restrictions imposed under authority of Section
15 10156.6 of that code:

1. The restricted license issued to Respondent may be
suspended prior to hearing by Order of the Real Estate
Commissioner in the event of Respondent's conviction or plea of
nolo contendere to a crime which is substantially related to
Respondent's fitness or capacity as a real estate licensee.

2. The restricted license issued to Respondent may be
suspended prior to hearing by Order of the Real Estate
Commissioner on evidence satisfactory to the Commissioner that
Respondent has violated provisions of the California Real Estate
Law, the Subdivided Lands Law, Regulations of the Real Estate
Commissioner, or conditions attaching to this restricted
license.

1 3. Respondent shall not be eligible to apply for the
2 issuance of an unrestricted real estate license nor for the
3 removal of any of the conditions, limitations or restrictions
4 of a restricted license until one year has elapsed from the
5 effective date of this Decision.

6 4. Pursuant to Section 10148 of the Business and
7 Professions Code, Respondent shall pay the Commissioner's
8 reasonable cost for: a) the audit which led to this disciplinary
9 action and b) a subsequent audit to determine if Respondent has
10 corrected the trust fund violations found in the Determination of
11 Issues. In calculating the amount of the Commissioner's
12 reasonable cost, the Commissioner may use the estimated average
13 hourly salary for all persons performing audits of real estate
14 brokers, and shall include an allocation for travel costs,
15 including mileage, time to and from the auditor's place of work
16 and per diem. Respondent shall pay such costs within 60 days of
17 receiving an invoice from the Commissioner detailing the
18 activities performed during the audit and the amount of time
19 spent performing those activities. The Commissioner may, in her
20 discretion, vacate and set aside the stay order, if payment is
21 not timely made as provided for herein, or as provided for in a
22 subsequent agreement between the Respondent and the Commissioner.
23 The vacation and the set aside of the stay shall remain in effect
24 until payment is made in full, or until Respondent enters into an
25 agreement satisfactory to the Commissioner to provide for
26 payment.

1 II.

2 All licenses and licensing rights of Respondent JEFFREY
3 TORREZ, under the Real Estate Law are revoked; provided, however,
4 a restricted real estate broker license shall be issued to
5 Respondent pursuant to Section 10156.5 of the Business and
6 Professions Code, if Respondent makes application therefore and
7 pays to the Department the appropriate fee within 90 days from
8 the effective date of this Decision.

9 The restricted license issued to Respondent shall be
10 subject to all of the provisions of Section 10156.7 of the
11 Business and Professions Code and to the following limitations,
12 conditions and restrictions imposed under authority of Section
13 10156.6 of that code:

14 1. The restricted license issued to Respondent may be
15 suspended prior to hearing by Order of the Real Estate
16 Commissioner in the event of Respondent's conviction or plea of
17 nolo contendere to a crime which is substantially related to
18 Respondent's fitness or capacity as a real estate licensee.

19 2. The restricted license issued to Respondent may be
20 suspended prior to hearing by Order of the Real Estate
21 Commissioner on evidence satisfactory to the Commissioner that
22 Respondent has violated provisions of the California Real Estate
23 Law, the Subdivided Lands Law, Regulations of the Real Estate
24 Commissioner, or conditions attaching to this restricted
25 license.

1 3. Respondent shall not be eligible to apply for the
2 issuance of an unrestricted real estate license nor for the
3 removal of any of the conditions, limitations or restrictions
4 of a restricted license until one year has elapsed from the
5 effective date of this Decision.

6 4. Respondent shall, within nine months from the
7 effective date of this Decision, present evidence satisfactory
8 to the Real Estate Commissioner that Respondent has, since the
9 most recent issuance of an original or renewal real estate
10 license, taken and successfully completed the continuing
11 education requirements of Article 2.5 of Chapter 3 of the Real
12 Estate Law for renewal of a real estate license. If Respondent
13 fails to satisfy this condition, the Commissioner may order the
14 suspension of the restricted license until the Respondent
15 presents such evidence. The Commissioner shall afford
16 Respondent the opportunity for a hearing pursuant to the
17 Administrative Procedure Act to present such evidence.

18 5. Pursuant to Section 10148 of the Business and
19 Professions Code, Respondent shall pay the Commissioner's
20 reasonable cost for: a) the audit which led to this disciplinary
21 action and b) a subsequent audit to determine if Respondent has
22 corrected the trust fund violations found in the Determination of
23 Issues. In calculating the amount of the Commissioner's
24 reasonable cost, the Commissioner may use the estimated average
25 hourly salary for all persons performing audits of real estate
26 brokers, and shall include an allocation for travel costs,
27 including mileage, time to and from the auditor's place of work

1 and per diem. Respondent shall pay such costs within 60 days of
2 receiving an invoice from the Commissioner detailing the
3 activities performed during the audit and the amount of time
4 spent performing those activities. The Commissioner may, in his
5 discretion, vacate and set aside the stay order, if payment is
6 not timely made as provided for herein, or as provided for in a
7 subsequent agreement between the Respondent and the Commissioner.
8 The vacation and the set aside of the stay shall remain in effect
9 until payment is made in full, or until Respondent enters into an
10 agreement satisfactory to the Commissioner to provide for
11 payment.

12 III

13 Respondent JEFFREY TORREZ shall within six (6) months
14 from the effective date of the Decision herein, take and pass the
15 Professional Responsibility Examination administered by the
16 Department including the payment of the appropriate examination
17 fee. If Respondent JEFFREY TORREZ fails to satisfy this
18 condition, the Commissioner may order suspension of Respondent
19 JEFFREY TORREZ's license until Respondent passes the examination.

20 IV

21 Respondent JEFFREY TORREZ shall, prior to and as a
22 condition of the issuance of the restricted license, submit proof
23 satisfactory to the Commissioner, of having taken and
24 successfully completed the continuing education course on trust
25 fund accounting and handling specified in paragraph (3) of
26 subdivision (a) of Section 10170.5 of the Business and
27 Professions Code. Proof of satisfaction of this requirement

1 includes evidence that respondent has successfully completed the
2 trust fund account and handling continuing education course
3 within 120 days prior to the effective date of the Decision in
4 this matter.

5 V.

6 Respondents shall provide proof satisfactory to the
7 Real Estate Commissioner that restitution has been paid as
8 follows: 1) \$6,400 to James McNamara; 2) \$11,600 to Jerry
9 Barton; and 3) \$8,000 to Victor Salaiza. If Respondents fail to
10 satisfy this condition within 6 months of the effective date of
11 the Decision herein, the Real Estate Commissioner may order
12 suspension of Respondents' licenses until Respondents provide
13 proof of restitution satisfactory to the Real Estate
14 Commissioner.

15 VI.

16 All proof of payment and completed coursework shall be
17 submitted to Department Counsel James A. Demus, Attention: Legal
18 Section, Department of Real Estate, 320 W. Fourth St., Suite 350,
19 Los Angeles, California 90013-1105, on or before the dates set
20 forth above.

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23 DATED: 3/22/12

James A. Demus
JAMES A. DEMUS, Counsel for
the Department of Real Estate

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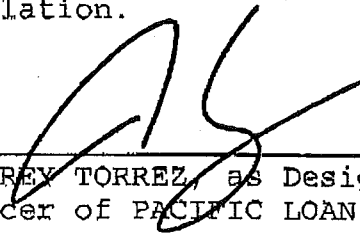
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EXECUTION OF THE STIPULATION


I have read the Stipulation and discussed it with my counsel. Its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but not limited to Sections 11506, 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.

Respondent can signify acceptance and approval of the terms and conditions of this Stipulation by faxing a copy of its signature page, as actually signed by Respondent, to the Department at the following telephone/fax number: James A. Demus at (213) 576-6917. Respondent agrees, acknowledges and understands that by electronically sending to the Department a fax copy of Respondent's actual signature as it appears on the Stipulation, 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.

DATED: 03/19/2012


JEFFREY TORREZ, as Designated
Officer of PACIFIC LOAN SOLUTIONS
INC

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2 DATED: 03/19/2012

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JEFFREY TORREZ, Respondent

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5 DATED: 3/21/12

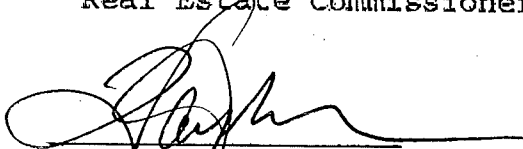
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EDWARD O. LEAR
7 Attorney for Respondents

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10 The foregoing Stipulation and Agreement is hereby
11 adopted as my Decision as to Respondents PACIFIC LOAN SOLUTIONS
12 INC and JEFFREY TORREZ and shall become effective at 12 o'clock
13 noon on JUN 11 2012, 2012.

14 IT IS SO ORDERED April 24, 2012.

15
16 Real Estate Commissioner

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18 By WAYNE S. BELL
19 Chief Counsel
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