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FILED

AUG 15 2012

1 Department of Real Estate  
320 West Fourth Street, #350  
2 Los Angeles, California 90013

DEPARTMENT OF REAL ESTATE  
BY: *Guadalupe Valencia*

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 \* \* \*

11 In the Matter of the Accusation of )

No. H-37434 LA  
L-2011090565

12 )  
13 HOME RETENTION AND FINANCIAL )  
14 PROGRAMS INC, dba J L Richman and Associates )  
15 Co, WINSTON CHI, JONATHAN ARNO and )  
16 MICHAEL JEFFREY SIMPSON, individually, and )  
17 as designated officers of Home Retention and )  
18 Financial Programs Inc, LLOYDS INVESTMENT )  
INC, and HAMID REZA LAVASSANI, )  
individually, and as designated officer of Lloyds )  
Investment Inc and ERNESTO GALINATO )  
CARDENAS, )

STIPULATION AND  
AGREEMENT

19 Respondents. )  
20 )

21 It is hereby stipulated by and between MICHAEL JEFFERY SIMPSON  
22 (sometimes referred to herein as "Respondent"), and his attorney of record, Steven C.  
23 Vondran, and the Complainant, acting by and through James A. Demus, Counsel for the  
24 Department of Real Estate, as follows for the purpose of settling and disposing of the  
25 Accusation filed on August 9, 2011 in this matter:

26 ///

1           1.       All issues which were to be contested and all evidence which was to be  
2 presented by Complainant and Respondent at a formal hearing on the Accusation, which  
3 hearing was to be held in accordance with the provisions of the Administrative Procedure Act  
4 (APA), shall instead and in place thereof be submitted solely on the basis of the provisions of  
5 this Stipulation and Agreement.

6           2.       Respondent has received, read and understands the Statement to  
7 Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department  
8 of Real Estate in this proceeding.

9           3.       On August 25, 2011, Respondent filed a Notice of Defense pursuant to  
10 Section 11506 of the Government Code for the purpose of requesting a hearing on the  
11 allegations in the Accusation. In order to effectuate this settlement, Respondent hereby freely  
12 and voluntarily withdraws said Notice of Defense. Respondent acknowledges that he  
13 understands that by withdrawing said Notice of Defense, he will thereby waive his right to  
14 require the Commissioner to prove the allegations in the Accusation at a contested hearing held  
15 in accordance with the provisions of the APA and that he will waive other rights afforded to  
16 him in connection with the hearing such as the right to present evidence in defense of the  
17 allegations in the Accusation and the right to cross-examine witnesses.

18           4.       Respondent, pursuant to the limitations set forth below, although not  
19 admitting or denying the truth of the allegations, will not contest the factual allegations  
20 contained in the Accusation filed in this proceeding and the Real Estate Commissioner shall  
21 not be required to provide further evidence of such allegations.

22           5.       It is understood by the parties that the Real Estate Commissioner may  
23 adopt the Stipulation and Agreement as his Decision in this matter, thereby imposing the  
24 penalty and sanctions on Respondent's real estate license and license rights as set forth in the  
25 below "Order". In the event that the Commissioner in his discretion does not adopt the  
26 Stipulation and Agreement, it shall be void and of no effect, and Respondent shall retain the  
27

1 right to a hearing and proceeding on the Accusation under all the provisions of the APA and  
2 shall not be bound by any stipulation or waiver made herein.

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

7 7. This Stipulation and Respondent's decision not to contest the Accusation  
8 are made for the purpose of reaching an agreed disposition of this proceeding, and are expressly  
9 limited to this proceeding and any other proceeding or case in which the Department of Real  
10 Estate ("Department"), or another licensing agency of this state, another state, or of the federal  
11 government is involved, and otherwise shall not be admissible in any other criminal or civil  
12 proceedings.

13 8. Respondent understands that by agreeing to this Stipulation, Respondent agrees  
14 to pay, within six (6) months of the effective date of this Decision, jointly and severally with  
15 WINSTON CHI and JONATHAN ARNO, the cost of the audit which led to this disciplinary  
16 action, pursuant to Business and Professions Code Section 10148. The amount of said cost is  
17 \$7,162.16.

18 9. Respondent has received, read, and understands the "Notice Concerning Costs  
19 of Subsequent Audit." Respondent further understands that by agreeing to this Stipulation, the  
20 findings set forth below in the Determination of Issues become final, and the Commissioner may  
21 charge Respondents for the cost of any subsequent audit conducted pursuant to Business and  
22 Professions Code Section 10148 to determine if the violations have been corrected. The  
23 maximum cost of the subsequent audit will not exceed \$7,162.16

24 DETERMINATION OF ISSUES

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

1 The conduct, acts or omissions of Respondent MICHAEL JEFFERY  
2 SIMPSON, as set forth in the Accusation, are in violation of Business and Professions Code  
3 (“Code”) Sections 10085, 10145, 10159.2 and 10137 and constitute cause to suspend or revoke  
4 the real estate license and licensing rights of Respondent MICHAEL JEFFERY SIMPSON  
5 under the provisions of Code Sections 10177(d) and 10177(g).

6 ORDER

7 WHEREFORE, THE FOLLOWING ORDER is hereby made:

8 I.

9 All licenses and licensing rights of Respondent MICHAEL JEFFREY SMIPSON under the  
10 Real Estate Law are suspended for a period of ninety (90) days from the effective date of this  
11 Decision; provided, however, that sixty (60) days of said suspension, shall be stayed for two (2)  
12 years upon the following terms and conditions:

- 13 1. Respondent shall obey all laws, rules and regulations governing the rights,  
14 duties and responsibilities of a real estate licensee in the State of California; and  
15 2. That no final subsequent determination be made, after hearing or upon  
16 stipulation that cause for disciplinary action occurred within two (2) years of the effective date of  
17 this Decision. Should such a determination be made, the Commissioner may, in her discretion,  
18 vacate and set aside the stay order and reimpose all or a portion of the stayed suspension. Should  
19 no such determination be made, the stay imposed herein shall become permanent.

20 II.

21 If Respondent petitions, an additional 30 days shall be stayed upon condition that:

- 22 1. Respondent pays a monetary penalty pursuant to Section 10175.2 of the  
23 Code at the rate of \$50 for each day of the suspension for a total monetary penalty of \$1,500.  
24 2. Said payment shall be in the form of a cashier’s check or certified check  
25 made payable to the Recovery Account of the Real Estate Fund. Said check must be received by  
26 the Department prior to the effective date of the Decision in this matter.  
27





1 in full, or until Respondent enters into an agreement satisfactory to the Commissioner to provide  
2 for payment.

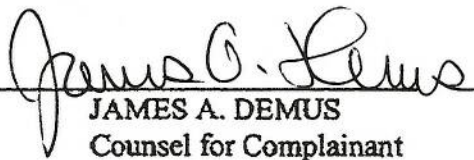
3 IV.

4 Respondent MICHAEL JEFFREY SIMPSON shall within six (6) months from  
5 the effective date of the Decision herein, take and pass the Professional Responsibility  
6 Examination administered by the Department including the payment of the appropriate  
7 examination fee. If Respondent fails to satisfy this condition, the Commissioner may order  
8 suspension of Respondent MICHAEL JEFFREY SIMPSON's license until Respondent passes  
9 the examination.

10 V.

11 All licenses and licensing rights of Respondent MICHAEL JEFFREY SIMPSON  
12 are indefinitely suspended unless or until Respondent provides proof satisfactory to the  
13 Commissioner, of having taken and successfully completed the continuing education course on  
14 trust fund accounting and handling specified in paragraph (3) of subdivision (a) of Section  
15 10170.5 of the Business and Professions Code. Proof of satisfaction of this requirement  
16 includes evidence that respondent has successfully completed the trust fund account and  
17 handling continuing education course within 120 days prior to the effective date of the Decision  
18 in this matter.

19  
20  
21 DATED: 5/17/12

  
JAMES A. DEMUS  
Counsel for Complainant

22  
23 \*\*\*

24 I have read the Stipulation and discussed it with my counsel. Its terms are  
25 understood by me and are agreeable and acceptable to me. I understand that I am waiving rights  
26 given to me by the California Administrative Procedure Act (including but not limited to  
27




1 Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly, intelligently  
2 and voluntarily waive those rights, including the right of requiring the Commissioner to prove the  
3 allegations in the Accusation at a hearing at which I would have the right to cross-examine  
4 witnesses against me and to present evidence in defense and mitigation of the charges.

5 Respondent can signify acceptance and approval of the terms and conditions of  
6 this Stipulation by faxing a copy of its signature page, as actually signed by Respondent, to the  
7 Department at the following telephone/fax number: James A. Demus at (213) 576-6917.  
8 Respondent agrees, acknowledges and understands that by electronically sending to the  
9 Department a fax copy of Respondent's actual signature, as it appears on the Stipulation, that  
10 receipt of the faxed copy by the Department shall be as binding on Respondent as if the  
11 Department had received the original signed Stipulation.

12  
13 DATED: 5-15-12

  
MICHAEL JEFFERY SIMPSON  
Respondent

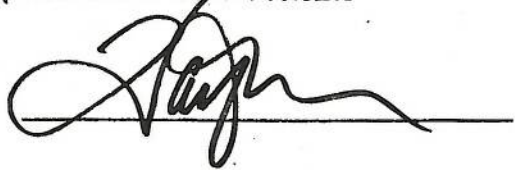
14  
15  
16 DATED: 5-15-12

  
STEVEN C. VONDRAN  
Attorney for Respondent

17  
18  
19 \* \* \*

20 The foregoing Stipulation and Agreement is hereby adopted as my Decision in  
21 this matter and shall become effective at 12 o'clock noon on SEP 14 2012

22  
23  
24 IT IS SO ORDERED 6/6/2012  
25 Real Estate Commissioner

26  
27 

SACTO  
Flag

**FILED**

1 Department of Real Estate  
2 320 West Fourth Street, #350  
3 Los Angeles, California 90013

AUG 15 2012

DEPARTMENT OF REAL ESTATE  
BY: *Jusaburo Kikuchi*

8 BEFORE THE DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

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11 In the Matter of the Accusation of )

No. H-37434 LA  
L-2011090565

12 HOME RETENTION AND FINANCIAL )  
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14 Co, WINSTON CHI, JONATHAN ARNO and )  
15 MICHAEL JEFFREY SIMPSON, individually, and )  
16 as designated officers of Home Retention and )  
17 Financial Programs Inc, LLOYDS INVESTMENT )  
18 INC, and HAMID REZA LAVASSANI, )  
individually, and as designated officer of Lloyds )  
Investment Inc and ERNESTO GALINATO )  
CARDENAS, )

STIPULATION AND  
AGREEMENT

19 Respondents. )  
20

21 It is hereby stipulated by and between JONATHAN ARNO (sometimes referred  
22 to herein as "Respondent"), and his attorney of record, Frank M. Buda, and the Complainant,  
23 acting by and through James A. Demus, Counsel for the Department of Real Estate, as follows  
24 for the purpose of settling and disposing of the Accusation filed on August 9, 2011 in this  
25 matter:

26 ///



1           1.       All issues which were to be contested and all evidence which was to be  
2 presented by Complainant and Respondent at a formal hearing on the Accusation, which  
3 hearing was to be held in accordance with the provisions of the Administrative Procedure Act  
4 (APA), shall instead and in place thereof be submitted solely on the basis of the provisions of  
5 this Stipulation and Agreement.

6           2.       Respondent has received, read and understands the Statement to  
7 Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department  
8 of Real Estate in this proceeding.

9           3.       On August 23, 2011, Respondent filed a Notice of Defense pursuant to  
10 Section 11506 of the Government Code for the purpose of requesting a hearing on the  
11 allegations in the Accusation. In order to effectuate this settlement, Respondent hereby freely  
12 and voluntarily withdraws said Notice of Defense. Respondent acknowledges that he  
13 understands that by withdrawing said Notice of Defense, he will thereby waive his right to  
14 require the Commissioner to prove the allegations in the Accusation at a contested hearing held  
15 in accordance with the provisions of the APA and that he will waive other rights afforded to  
16 him in connection with the hearing such as the right to present evidence in defense of the  
17 allegations in the Accusation and the right to cross-examine witnesses.

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19 admitting or denying the truth of the allegations, will not contest the factual allegations  
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21 not be required to provide further evidence of such allegations.

22           5.       It is understood by the parties that the Real Estate Commissioner may  
23 adopt the Stipulation and Agreement as his Decision in this matter, thereby imposing the  
24 penalty and sanctions on Respondent's real estate license and license rights as set forth in the  
25 below "Order". In the event that the Commissioner in his discretion does not adopt the  
26 Stipulation and Agreement, it shall be void and of no effect, and Respondent shall retain the  
27



1 The conduct, acts or omissions of Respondent JONATHAN ARNO, as set forth  
2 in the Accusation, are in violation of Business and Professions Code (“Code”) Section 10145  
3 and constitute cause to suspend or revoke the real estate license and licensing rights of  
4 Respondent JONATHAN ARNO under the provisions of Code Sections 10177(d) and  
5 10177(g).

6 ORDER

7 WHEREFORE, THE FOLLOWING ORDER is hereby made:

8 I.

9 All licenses and licensing rights of Respondent JONATHAN ARNO under the  
10 Real Estate Law are suspended for a period of sixty (60) days from the effective date of this  
11 Decision; provided, however, that thirty (30) days of said suspension, shall be stayed for two  
12 (2) years upon the following terms and conditions:

- 13 1. Respondent shall obey all laws, rules and regulations governing the rights,  
14 duties and responsibilities of a real estate licensee in the State of California; and
- 15 2. That no final subsequent determination be made, after hearing or upon  
16 stipulation that cause for disciplinary action occurred within two (2) years of the effective date of  
17 this Decision. Should such a determination be made, the Commissioner may, in her discretion,  
18 vacate and set aside the stay order and reimpose all or a portion of the stayed suspension. Should  
19 no such determination be made, the stay imposed herein shall become permanent.

20 II.

21 If Respondent petitions, an additional 30 days shall be stayed upon condition that:

- 22 1. Respondent pays a monetary penalty pursuant to Section 10175.2 of the  
23 Code at the rate of \$50 for each day of the suspension for a total monetary penalty of \$1,500.
- 24 2. Said payment shall be in the form of a cashier’s check or certified check  
25 made payable to the Recovery Account of the Real Estate Fund. Said check must be received by  
26 the Department prior to the effective date of the Decision in this matter.





1 effect until payment is made in full, or until Respondent enters into an agreement satisfactory to  
2 the Commissioner to provide for payment.

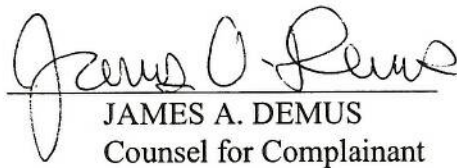
3 IV.

4 Respondent JONATHAN ARNO shall within six (6) months from the effective  
5 date of the Decision herein, take and pass the Professional Responsibility Examination  
6 administered by the Department including the payment of the appropriate examination fee. If  
7 Respondent fails to satisfy this condition, the Commissioner may order suspension of  
8 Respondent JONATHAN ARNO's license until Respondent passes the examination.

9 V.

10 All licenses and licensing rights of Respondent JONATHAN ARNO are  
11 indefinitely suspended unless or until Respondent provides proof satisfactory to the  
12 Commissioner, of having taken and successfully completed the continuing education course on  
13 trust fund accounting and handling specified in paragraph (3) of subdivision (a) of Section  
14 10170.5 of the Business and Professions Code. Proof of satisfaction of this requirement  
15 includes evidence that respondent has successfully completed the trust fund account and  
16 handling continuing education course within 120 days prior to the effective date of the Decision  
17 in this matter.

18  
19  
20 DATED: 5/17/12

  
JAMES A. DEMUS  
Counsel for Complainant

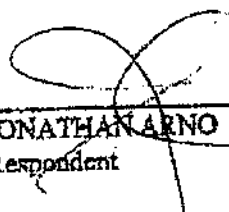
21  
22 \* \* \*

23 I have read the Stipulation and discussed it with my counsel. Its terms are  
24 understood by me and are agreeable and acceptable to me. I understand that I am waiving rights  
25 given to me by the California Administrative Procedure Act (including but not limited to  
26 Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly, intelligently  
27

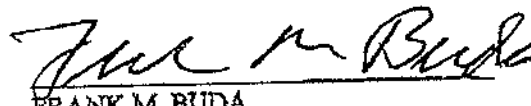
1 and voluntarily waive those rights, including the right of requiring the Commissioner to prove the  
2 allegations in the Accusation at a hearing at which I would have the right to cross-examine  
3 witnesses against me and to present evidence in defense and mitigation of the charges.

4 Respondent can signify acceptance and approval of the terms and conditions of  
5 this Stipulation by faxing a copy of its signature page, as actually signed by Respondent, to the  
6 Department at the following telephone/fax number: James A. Demus at (213) 576-6917.  
7 Respondent agrees, acknowledges and understands that by electronically sending to the  
8 Department a fax copy of Respondent's actual signature, as it appears on the Stipulation, that  
9 receipt of the faxed copy by the Department shall be as binding on Respondent as if the  
10 Department had received the original signed Stipulation.

11  
12 DATED: 5/15/12

  
13 JONATHAN ARNO  
14 Respondent

15  
16 DATED: May 15, 2012

  
17 FRANK M. BUDA  
18 Attorney for Respondent

19 \* \* \*

20 The foregoing Stipulation and Agreement is hereby adopted as my Decision in  
21 this matter and shall become effective at 12 o'clock noon on \_\_\_\_\_

22  
23 IT IS SO ORDERED \_\_\_\_\_

24 Real Estate Commissioner  
25  
26 \_\_\_\_\_  
27



1 and voluntarily waive those rights, including the right of requiring the Commissioner to prove the  
2 allegations in the Accusation at a hearing at which I would have the right to cross-examine  
3 witnesses against me and to present evidence in defense and mitigation of the charges.

4 Respondent can signify acceptance and approval of the terms and conditions of  
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9 receipt of the faxed copy by the Department shall be as binding on Respondent as if the  
10 Department had received the original signed Stipulation.

11  
12 DATED: \_\_\_\_\_

\_\_\_\_\_  
13 JONATHAN ARNO  
14 Respondent

15  
16 DATED: \_\_\_\_\_

\_\_\_\_\_  
17 FRANK M. BUDA  
18 Attorney for Respondent

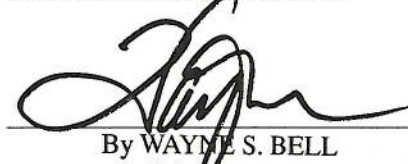
19 \* \* \*

20 The foregoing Stipulation and Agreement is hereby adopted as my Decision in  
21 this matter and shall become effective at 12 o'clock noon on SEP 14 2012.

22  
23 IT IS SO ORDERED

6/6/2012

24 Real Estate Commissioner

25  
26   
27 By WAYNE S. BELL  
Chief Counsel