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FILED

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

AUG 15 2012

DEPARTMENT OF REAL ESTATE
BY: *Guadalupe Valencia*

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

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

No. H-37434 LA
L-2011090565

STIPULATION AND
AGREEMENT

It is hereby stipulated by and between MICHAEL JEFFERY SIMPSON
(sometimes referred to herein as "Respondent"), and his attorney of record, Steven C.
Vondran, 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 August 9, 2011 in this matter:

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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 3. No further cause for disciplinary action against the real estate license of
2 Respondent occurs within two years from the effective date of the Decision in this matter.

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

8 5. If Respondent pays the monetary penalty and if no further cause for
9 disciplinary action against the real estate license of Respondent occurs within one year from the
10 effective date of the Decision, the stay hereby granted shall become permanent.

11 III.

12 1. Pursuant to Section 10148 of the Business and Professions Code,
13 MICHAEL JEFFREY SIMPSON shall, within six (6) months from the effective date of this
14 Decision, jointly and severally with WINSTON CHI and JONATHAN ARNO, pay the
15 Commissioner's reasonable cost for the audit which led to this disciplinary action.

16 2. Respondent MICHAEL JEFFREY SIMPSON shall also pay the
17 Commissioner's reasonable cost for a subsequent audit to determine if Respondent has corrected
18 the trust fund violations found in the Determination of Issues. In calculating the amount of the
19 Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary
20 for all persons performing audits of real estate brokers, and shall include an allocation for travel
21 costs, including mileage, time to and from the auditor's place of work and per diem. Respondent
22 shall pay such costs within 60 days of receiving an invoice from the Commissioner detailing the
23 activities performed during the audit and the amount of time spent performing those activities.
24 The Commissioner may, in his discretion, suspend the license of Respondent, if payment is not
25 timely made as provided for herein, or as provided for in a subsequent agreement between the
26 Respondent and the Commissioner. The suspension shall remain in effect until payment is made
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1 in full, or until Respondent enters into an agreement satisfactory to the Commissioner to provide
2 for payment.

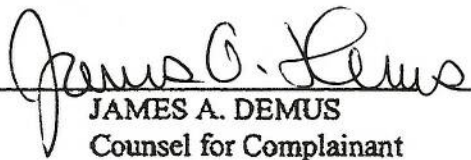
3 IV.

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.

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21 DATED: 5/17/12


JAMES A. DEMUS
Counsel for Complainant

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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

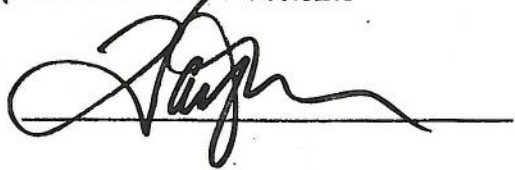
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15
16 DATED: 5-15-12


STEVEN C. VONDRAN
Attorney for Respondent

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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

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

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27 

SACTO
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FILED

1 Department of Real Estate
320 West Fourth Street, #350
2 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

10 * * *

11 In the Matter of the Accusation of)
12)
13 HOME RETENTION AND FINANCIAL)
PROGRAMS INC, dba J L Richman and Associates)
14 Co, WINSTON CHI, JONATHAN ARNO and)
MICHAEL JEFFREY SIMPSON, individually, and)
15 as designated officers of Home Retention and)
Financial Programs Inc, LLOYDS INVESTMENT)
16 INC, and HAMID REZA LAVASSANI,)
17 individually, and as designated officer of Lloyds)
Investment Inc and ERNESTO GALINATO)
18 CARDENAS,)
19 Respondents.)
20

No. H-37434 LA
L-2011090565

STIPULATION AND
AGREEMENT

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.

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 the federal government is involved, and otherwise shall not be
11 admissible in any other criminal or civil proceedings.

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

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

23 DETERMINATION OF ISSUES

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

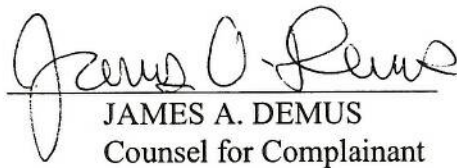
3 IV.

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

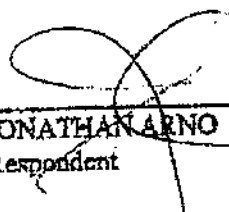
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22 * * *

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

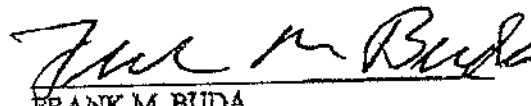
1 and voluntarily waive those rights, including the right of requiring the Commissioner to prove the
2 allegations in the Accusation at a hearing at which I would have the right to cross-examine
3 witnesses against me and to present evidence in defense and mitigation of the charges.

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. Demms 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
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: _____

13 JONATHAN ARNO
14 Respondent

15
16 DATED: _____

17 FRANK M. BUDA
18 Attorney for Respondent

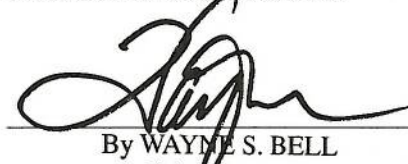
19 * * *

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