

1 Department of Real Estate
2 320 West 4th Street, Ste. 350
3 Los Angeles, California 90013-1105
4 Telephone: (213) 576-6982 (office)

FILED

JUN 30 2015

BUREAU OF REAL ESTATE

BY 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * * *

11 In the Matter of the Accusation of)

12 NEW HAVEN FINANCIAL INC.)
13 and LAWRENCE S. RABINOFF,)
14 individually and as designated)
15 officer of New Haven Financial Inc.,)
16 Respondents.

No. H-37438 LA
L-2012050108

STIPULATION
AND
AGREEMENT

17 It is hereby stipulated by and between Respondents NEW HAVEN FINANCIAL
18 INC. and LAWRENCE S. RABINOFF, individually and as designated officer of New Haven
19 Financial Inc. (sometimes collectively referred to as "Respondents"), represented by Steven
20 Morris, Esq. and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the
21 Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation
22 ("Accusation") filed on August 9, 2011, in this matter:

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

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

6 3. Respondents timely filed a Notice of Defense pursuant to Section 11506 of the
7 Government Code for the purpose of requesting a hearing on the allegations in the Accusation.
8 Respondents hereby freely and voluntarily withdraw said Notice of Defense. Respondents
9 acknowledge that they understand that by withdrawing said Notice of Defense they thereby waive
10 their right to require the Commissioner to prove the allegations in the Accusation at a contested
11 hearing held in accordance with the provisions of the APA and that they will waive other rights
12 afforded to them in connection with the hearing such as the right to present evidence in their
13 defense and the right to cross-examine witnesses.
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15 4. This Stipulation is based on the factual allegations contained in the Accusation.
16 In the interest of expedience and economy, Respondents choose not to contest these allegations,
17 but to remain silent and understand that, as a result thereof, these factual allegations, without
18 being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to
19 herein. The Real Estate Commissioner shall not be required to provide further evidence to prove
20 said factual allegations.
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22 5. This Stipulation is made for the purpose of reaching an agreed disposition of
23 this proceeding and is expressly limited to this proceeding and any other proceeding or case in
24 which the Department of Real Estate (“Department”), the state or federal government, or any
25 agency of this state, another state or federal government is involved.
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1 6. It is understood by the parties that the Real Estate Commissioner may adopt
2 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on
3 Respondents' real estate licenses and license rights as set forth in the "Order" herein below. In
4 the event that the Commissioner in his discretion does not adopt the Stipulation, it shall be void
5 and of no effect and Respondents shall retain the right to a hearing and proceeding on the
6 Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver
7 made herein.
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9 7. The Order or any subsequent Order of the Real Estate Commissioner made
10 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further
11 administrative or civil proceedings by the Department of Real Estate with respect to any matters
12 which were not specifically alleged to be causes for Accusation in this proceeding but do
13 constitute a bar, estoppel and merger as to any allegations actually contained in the Accusations
14 against Respondent herein.
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16 8. Respondents understand that by agreeing to this Stipulation, Respondents agree
17 to pay, pursuant to Business and Professions Code Section 10148, the cost of the audit (LA
18 100115 & LA 100181). The amount of said cost for the audit is \$6,669.00
19

20 9. Respondents have received, read, and understand the "Notice Concerning
21 Costs of Subsequent Audit". Respondents further understand that by agreeing to this Stipulation,
22 the findings set forth below in the Determination of Issues become final, and the Commissioner
23 may charge Respondents for the cost of any subsequent audit conducted pursuant to Business and
24 Professions Code Section 10148 to determine if the violations have been corrected. The
25 maximum cost of the subsequent audit will not exceed \$6,669.00.
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1 10. Respondents understand that by agreeing to this Stipulation, Respondents
2 agree to pay, pursuant to Business and Professions Code Section 10106, the cost of the
3 investigation and enforcement of this matter. The amount of said cost is \$1,869.00

4 DETERMINATION OF ISSUES

5 By reason of the foregoing, it is stipulated and agreed that the following
6 determination of issues shall be made:
7

8 I.

9 The conduct, acts or omissions of NEW HAVEN FINANCIAL INC. and
10 LAWRENCE S. RABINOFF, as described in Paragraph 4, herein above, are in violation of
11 Sections 10145, 10176(g), 10232.4 of the Business and Professions Code ("Code") and Section
12 2950(h) of Title 10, Chapter 6 of the California Code of Regulations ("Regulations"), and
13 Sections 4970(b)(1) and 4973(k)(1) of the Financial Code, and is a basis for discipline of
14 Respondents' license and license rights as violations of the Real Estate Law pursuant to Code
15 Sections 10177(d).
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17 II.

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19 The conduct of LAWRENCE S. RABINOFF, as described in Paragraph 4, above,
20 constitutes a failure to keep Einstein Mortgage and Realty Inc. in compliance with the Real
21 Estate Law during the time that he was the officer designated by a corporate broker licensee in
22 violation of Section 10159.2 of the Code. This conduct is a basis for the suspension or
23 revocation of Respondent's license pursuant to Code Sections 10177(d), 10177(g) and 10177(h).

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ORDER

WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

All licenses and licensing rights of Respondents NEW HAVEN FINANCIAL
INC. and LAWRENCE S. RABINOFF, under the Real Estate Law are revoked; provided,
however, restricted real estate broker licenses shall be issued to said Respondents, pursuant to
Section 10156.5 of the Business and Professions Code if Respondents:

(A) Make application thereof and pays to the Department of Real Estate the
appropriate fee for the restricted license within ninety (90) days from the effective date of this
Decision.

(B) Respondent LAWRENCE S. RABINOFF shall, prior to and as a condition of
the issuance of the restricted license, submit proof satisfactory to the Commissioner of having
taken and successfully completed the continuing education course on trust fund accounting and
handling specified in paragraph (3) of subdivision (a) of Section 10170.5 of the Business and
Professions Code. Proof of satisfaction of this requirement includes evidence that Respondent
has successfully completed the trust fund account and handling continuing education course
within 120 days prior to the effective date of the Decision in this matter.

The restricted licenses issued to Respondents shall be subject to all of the
provisions of Section 10156.7 of the Business and Professions Code and to the followings
limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code:

1. The restricted license issued to Respondents may be suspended prior to hearing
by Order of the Real Estate Commissioner in the event of a Respondent's conviction or plea of

1 nolo contendere to a crime which is substantially related to a Respondent's fitness or capacity as a
2 real estate licensee.

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

8 3. Respondents shall not be eligible to apply for the issuance of an unrestricted
9 real estate license nor for the removal of any of the conditions, limitations or restrictions of a
10 restricted license until three (3) years have elapsed from the effective date of this Decision.

11 4. Respondent LAWRENCE S. RABINOFF shall within six (6) months from the
12 effective date of the restricted license, take and pass the Professional Responsibility Examination
13 administered by the Department including the payment of the appropriate examination fee. If
14 Respondent fails to satisfy this condition, the Commissioner may order suspension of the
15 restricted license until respondent passes the examination.

16 5. Respondent LAWRENCE S. RABINOFF, shall, within nine (9) months from
17 the effective date of this Decision, present evidence satisfactory to the Real Estate Commissioner
18 that Respondent has, since the most recent issuance of an original or renewal real estate license,
19 taken and successfully completed the continuing education requirements of Article 2.5 of
20 Chapter 3 of the Real Estate Law for renewal of a real estate license. If Respondent fails to
21 satisfy this condition, the Commissioner may order the suspension of Respondent's license until
22 Respondent presents such evidence. The Commissioner shall afford Respondent the opportunity
23 for a hearing pursuant to the Administrative Procedure Act to present such evidence.

24 II.

25 Pursuant to Section 10148 of the Business and Professions Code, Respondents
26 shall pay the Commissioner's reasonable cost for (a) the audit which led to this disciplinary
27 action and (b) a subsequent audit to determine if Respondents NEW HAVEN FINANCIAL

1 INC. and LAWRENCE S. RABINOFF are now in compliance with the Real Estate Law. The
2 cost of the audit (LA 100115 & LA 100181) which led to this disciplinary action is \$6,669.00.
3 In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the
4 estimated average hourly salary for all persons performing audits of real estate brokers, and shall
5 include an allocation for travel time to and from the auditor's place of work. Said amount for
6 the prior and subsequent audits shall not exceed \$13,338.00. Respondents are jointly and
7 severally liable for the cost of the audits.

8 Respondents shall pay such cost within 60 days of receiving an invoice from the
9 Commissioner detailing the activities performed during the audit and the amount of time spent
10 performing those activities.

11 The Commissioner may suspend the license of Respondents pending a hearing
12 held in accordance with Section 11500, et seq., of the Government Code, if payment is not timely
13 made as provided for herein, or as provided for in a subsequent agreement between the
14 Respondents and the Commissioner. The suspension shall remain in effect until payment is
15 made in full or until a Respondent enters into an agreement satisfactory to the Commissioner to
16 provide for payment, or until a decision providing otherwise is adopted following a hearing held
17 pursuant to this condition.

18 III.

19 All licenses and licensing rights of Respondent are indefinitely suspended from
20 the effective date of the Decision unless or until Respondents pay the sum of \$1,869.00 for the
21 Commissioner's reasonable cost of the investigation and enforcement which led to this
22 disciplinary action. Said payment shall be in the form of a cashier's check or certified check
23 made payable to the Department of Real Estate, Real Estate Fund by the effective date
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25 DATED: 2-7-13

26 ELLIOTT MAC LENNAN, Counsel for
27 Department of Real Estate



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EXECUTION OF THE STIPULATION

We have read the Stipulation and have discussed it with our attorney. Its terms are understood by us and are agreeable and acceptable to us. We understand that we are waiving rights given to us by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and we are 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 we would have the right to cross-examine witnesses against us and to present evidence in defense and mitigation of the charges.

FACSIMILE

Respondents 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 Respondents, to the Department at the following facsimile number: Elliott Mac Lennan at (213) 576-6917. Respondents agree, acknowledge and understand that by electronically sending to the Department a fax copy of Respondents' actual signature as they appear on the Stipulation, that receipt of the faxed copy by the Department shall be as binding on Respondents as if the Department had received the original signed Stipulation.

DATED: 02-07-13

NEW HAVEN FINANCIAL INC.,
a corporate real estate broker,
BY: LAWRENCE S. RABINOFF D.O.,
Respondent

DATED: 02-07-13

LAWRENCE S. RABINOFF, individually and as
designated officer of New Haven Financial Inc.,
Respondent

DATED: 2/7/13

STEVEN MORRIS, ESQ.
Attorney for Respondents

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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to
Respondents NEW HAVEN FINANCIAL INC. and LAWRENCE S. RABINOFF, individually
and as designated officer of New Haven Financial Inc. and shall become effective at 12 o'clock
noon on JUL 21, 2015.

IT IS SO ORDERED June 24, 2015.

Real Estate Commissioner



By: JEFFREY MASON
Chief Deputy Commissioner