

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

**FILED**

AUG - 8 2013

DEPARTMENT 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 CEDAR TREE REAL ESTATE INC., doing business as ) No. H-37545 LA  
13 Cedar Tree Financial, Diamond Loss Mitigation, and ) L-2012060953  
14 Neighborhood Loss Mitigation; PATRICK MICHAEL )  
15 LADKANI, individually and as designated officer of ) STIPULATION  
16 Cedar Tree Real Estate Inc., ) AND  
17 Respondents. ) AGREEMENT

18 It is hereby stipulated by and between Respondents CEDAR TREE REAL  
19 ESTATE INC. and PATRICK MICHAEL LADKANI, individually and as designated officer of  
20 Cedar Tree Real Estate Inc. (sometimes collectively referred to as "Respondents"), represented  
21 by Mary E. Work, Esq. and the Complainant, acting by and through Elliott Mac Lennan, Counsel  
22 for the Department of Real Estate, as follows for the purpose of settling and disposing of the  
23 Accusation ("Accusation") filed on September 20, 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.

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

20           5. This Stipulation is made for the purpose of reaching an agreed disposition of  
21 this proceeding and is expressly limited to this proceeding and any other proceeding or case in  
22 which the Department of Real Estate ("Department"), the state or federal government, or any  
23 agency of this state, another state or federal government is involved.

24           6. It is understood by the parties that the Real Estate Commissioner may adopt  
25 this Stipulation as his Decision in this matter thereby imposing the penalty and sanctions on  
26 Respondents' real estate licenses and license rights as set forth in the "Order" herein below. In  
27 the event that the Commissioner in her discretion does not adopt the Stipulation, it shall be void

1 and of no effect and Respondents shall retain the right to a hearing and proceeding on the  
2 Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver  
3 made herein.

4           7. The Order or any subsequent Order of the Real Estate Commissioner made  
5 pursuant to this Stipulation shall not constitute an estoppel, merger or bar to any further  
6 administrative or civil proceedings by the Department of Real Estate with respect to any matters  
7 which were not specifically alleged to be causes for Accusation in this proceeding but do  
8 constitute a bar, estoppel and merger as to any allegations actually contained in the Accusations  
9 against Respondent herein.

10           8. Respondents understand that by agreeing to this Stipulation, Respondents agree  
11 to pay, pursuant to Business and Professions Code Section 10148, the cost of the audit. The  
12 amount of said cost for the original audit (SD 090066/SD090074) is \$8,015.50.

13           9. Respondents have received, read, and understand the "Notice Concerning  
14 Costs of Subsequent Audit". Respondents further understand that by agreeing to this Stipulation,  
15 the findings set forth below in the Determination of Issues become final, and the Commissioner  
16 may charge Respondents for the cost of any subsequent audit conducted pursuant to Business and  
17 Professions Code Section 10148 to determine if the violations have been corrected. The  
18 maximum cost of the follow-up audit will not exceed \$8,015.50.

19           10. Respondent understands that by agreeing to this Stipulation, Respondent  
20 agrees to pay, pursuant to Business and Professions Code Section 10106, the cost of the  
21 investigation and enforcement of this matter. The amount of said cost is \$2,458.25.

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1 provide for payment, or until a decision providing otherwise is adopted following a hearing held  
2 pursuant to this condition.

3 III.

4 All licenses and licensing rights of Respondents are indefinitely suspended from  
5 the effective date of the Decision unless or until Respondent pays the sum of \$2,458.25 for the  
6 Commissioner's reasonable cost of the investigation and enforcement which led to this  
7 disciplinary action. Said payment shall be in the form of a cashier's check or certified check  
8 made payable to the Department of Real Estate, Real Estate Fund.

9 IV.

10 All licenses and licensing rights of Respondent PATRICK MICHAEL  
11 LADKANI, are indefinitely suspended unless or until Respondent provides proof satisfactory to  
12 the Commissioner, of having taken and successfully completed the continuing education course  
13 on 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 includes  
15 evidence that respondent has successfully completed the trust fund account and handling  
16 continuing education course within 120 days prior to the effective date of the Decision in this  
17 matter.

18 V.

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

4 VI.

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

12 Proof of compliance with the following conditions shall be made within six (6)  
13 months from the effective date of this Decision.  
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15 A. Respondent shall make a diligent effort to locate and repay to the borrowers  
16 set forth in the tables below; (1) Respondent shall mail the payment(s) by certified mail, return  
17 receipt requested, to the borrowers last address on file with or known to Respondents; (2) If any  
18 of the payment(s) are returned by the Post Office marked "unable to deliver," Respondents shall  
19 employ a locator service (that may include or be limited to the Internet or other database retrieval  
20 search) to try and locate the aforesaid borrower. Repayments shall then be made to the addresses  
21 recommended by the locator service; (3) If unable to effect repayment after using a locator  
22 service, Respondents shall provide reasonable proof satisfactory to the Commissioner of his  
23 efforts to comply with the provisions of this paragraph. (4) If the Commissioner determines that  
24 proof to be unsatisfactory, the Commissioner shall so advise Respondents, and indicate what  
25 additional reasonable efforts should be made to make repayment to a borrower; and (6) any  
26 unpaid restitution shall escheat to the State of California.  
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1 Table : Restitution per Accusation/Audit Report: Issue Two

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Borrower	Per Audit Report SD090066/SD0900074: Issue Two
Richard Ramsey	\$1,747.50
Vinay K. Chadha	\$2,000.00
Guy Gates	\$1,747.50
Total	\$5,495.00

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9 B. If the Commissioner determines that proof of restitution to be unsatisfactory

10 and that reasonable efforts have not been made to locate the borrowers, the Commissioner may,

11 by separate order, suspend Respondent's license until such proof is obtained, or until

12 Respondent enters into a separate agreement satisfactory to the Real Estate Commissioner.

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14 VIII.

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16 All proof required by this Order, shall be sent to the attention of Elliott Mac

17 Lennan, Counsel, Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los

18 Angeles, California 90013-1105.

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21 DATED: 6-13-13

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23 EL

24 ELLIOTT MAC LENNAN, Counsel for

25 Department of Real Estate

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2 EXECUTION OF THE STIPULATION

3 We have read the Stipulation and Agreement and discussed it with our attorney.  
4 Its terms are understood by us and are agreeable and acceptable to us. We understand that we  
5 are waiving rights given to us by the California Administrative Procedure Act (including but not  
6 limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and we willingly,  
7 intelligently and voluntarily waive those rights, including the right of requiring the  
8 Commissioner to prove the allegations in the Accusation at a hearing at which we would have the  
9 right to cross-examine witnesses against us and to present evidence in defense and mitigation of  
10 the charges.

11 MAILING AND FACSIMILE

12 Respondents (1) shall mail the original signed signature page of the stipulation  
13 herein to Elliott Mac Lennan: Attention: Legal Section, Department of Real Estate, 320 W.  
14 Fourth St., Suite 350, Los Angeles, California 90013-1105. Respondents shall also (2) facsimile  
15 a copy of signed signature page, to the Department at the following telephone/fax number: (213)  
16 576-6917, Attention: Elliott Mac Lennan.

17 A facsimile constitutes acceptance and approval of the terms and conditions of  
18 this stipulation. Respondents agree, acknowledge and understand that by electronically sending  
19 to the Department a facsimile copy of Respondents' actual signatures as they appear on the  
20 stipulation that receipt of the facsimile copy by the Department shall be as binding on  
21 Respondents as if the Department had received the original signed stipulation.

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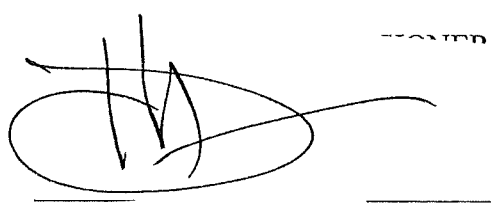


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The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondents CEDAR TREE REAL ESTATE INC. and PATRICK MICHAEL LADKANI, and shall become effective at 12 o'clock noon on September 6, 2013.

IT IS SO ORDERED July 29, 2013.

A handwritten signature in black ink, appearing to be "JM", is written over a horizontal line. The signature is enclosed within a large, hand-drawn oval.

**By: JEFFREY MASON**  
**Chief Deputy Commissioner**