Department of Real Estate 320 W. 4TH Street, Suite 350 Los Angeles, CA 90013-1105 Telephone: (213) 576-6982

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BUREAU OF REAL ESTATE

By Though

BEFORE THE DEPARTMENT OF REAL ESTATE STATE OF CALIFORNIA

In the Matter of the Accusation of

HARVARD & HAMPTON FINANCIAL; and,

RAUL MUNOZ, individually and as designated officer of Harvard & Hampton Financial,

No. H-37809 LA L-2012020665

STIPULATION AND AGREEMENT

Respondents.

It is hereby stipulated by and between Respondent RAUL MUNOZ, (sometimes referred to as "Respondent"), and the Complainant, acting by and through Elliott Mac Lennan, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on January 25, 2012, in this matter:

- 1. All issues which were to be contested and all evidence which was to be presented by Complainant and Respondent at a formal hearing on the Accusation, which hearing was to be held in accordance with the provisions of the Administrative Procedure Act ("APA"), shall instead and in place thereof be submitted solely on the basis of the provisions of this Stipulation and Agreement ("Stipulation").
- 2. Respondent has received, read and understands the Statement to Respondent, the Discovery Provisions of the APA and the Accusation filed by the Department of Real Estate

in this proceeding.

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3. Respondent filed a Notice of Defense pursuant to Section 11506 of the Government Code for the purpose of requesting a hearing on the allegations in the Accusation. Respondent hereby freely and voluntarily withdraws said Notice of Defense. Respondent acknowledges that he understands that by withdrawing said Notice of Defense he thereby waives his right to require the Commissioner to prove the allegations in the Accusation at a contested hearing held in accordance with the provisions of the APA and that he will waive other rights afforded to him in connection with the hearing such as the right to present evidence in his defense the right to cross-examine witnesses.

- 4. This Stipulation is based on the allegations contained in the Accusation. In the interest of expedience and economy Respondent chooses not to contest these allegations but to remain silent and understands that, as a result thereof, these allegations, without being admitted or denied, will serve as a prima facie basis for the disciplinary action stipulated to herein. The Real Estate Commissioner shall not be required to provide further evidence to prove said allegations.
- 5. This Stipulation is made for the purpose of reaching an agreed disposition of this proceeding and is expressly limited to this proceeding and any other proceeding or case in which the Department of Real Estate ("Department"), or another licensing agency of this state, another state or if the federal government is involved, and otherwise shall not be admissible in any other criminal or civil proceeding.
- 6. It is understood by the parties that the Real Estate Commissioner may adopt this Stipulation as her Decision in this matter thereby imposing the penalty and sanctions on Respondent's real estate license and license rights as set forth in the below "Order". In the event that the Commissioner in his discretion does not adopt the Stipulation, the Stipulation shall be void and of no effect and Respondent shall retain the right to a hearing and proceeding on the Accusation under the provisions of the APA and shall not be bound by any stipulation or waiver made herein.

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

- 8. Respondent understands that by agreeing to this Stipulation, Respondent agrees to pay, pursuant to Business and Professions Code Section 10148, the cost of the audit of Harvard & Hampton Financial. The amount of said cost for the original audit (LA 100062) is \$5,206.00.
- 9. Respondent has received, read, and understands the "Notice Concerning Costs of Subsequent Audit". Respondent further understands that by agreeing to this Stipulation, the findings set forth below in the Determination of Issues become final, and the Commissioner may charge Respondent for the cost of any subsequent audit conducted pursuant to Business and Professions Code Section 10148 to determine if the violations have been corrected. The maximum cost of the follow-up audit will not exceed \$5,206.00.
- 10. Respondent understands that by agreeing to this Stipulation, Respondent agrees to pay, pursuant to Business and Professions Code Section 10106, the cost of the investigation and enforcement of this matter. The amount of said cost is \$547.80.

DETERMINATION OF ISSUES

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

I.

The conduct of RAUL MUNOZ, as described in Paragraph 4, herein above, is in violation of Sections 10085, 10145, 10146, 10148, 10159.2, 10162, 10236.4, 10240 and 10241 of the Business and Professions Code ("Code") and Sections 2715, 2725, 2831, 2831.1, 2831.2, 2832, 2840, 2840.1, 2970, and 2972 of Chapter 6 of the California Code of Regulations ("Regulations") and is a basis for discipline of Respondent's license and license rights as a violation of the Real Estate Law pursuant to Code Sections 10177(d), 10177(g) and 10177(h).

ORDER

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WHEREFORE, THE FOLLOWING ORDER is hereby made:

I.

The real estate broker license of Respondent RAUL MUNOZ under the Real

Estate Law is revoked; provided, however, a restricted real estate broker license shall be issued to

Respondent, pursuant to Section 10156.5 of the Business and Professions Code, if Respondent:

A. Makes application therefor 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. The restricted license issued to Respondent shall be subject to all of the provisions of Section 10156.7 of the Code and the following limitations, conditions and restrictions imposed under authority of Section 10156.6 of that Code.

- B. Respondent 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.
- 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 the restricted license.

3. Respondent shall not be eligible to apply for the issuance of an unrestricted real estate license nor for the removal of any of the conditions, limitations or restrictions of a restricted license until two (2) years has elapsed from the effective date of the issuance of the restricted license.

4. Respondent shall, within nine (9) months from the effective date of this

Decision, present evidence satisfactory to the Real Estate Commissioner that Respondent has,
since the most recent issuance of an original or renewal real estate license, taken and successfully
completed the continuing education requirements of Article 2.5 of Chapter 3 of the Real Estate
Law for renewal of a real estate license. If a Respondent fails to satisfy this condition, the
Commissioner may order the suspension of Respondent's license until Respondent presents such
evidence. The Commissioner shall afford Respondent the opportunity for a hearing pursuant to
the Administrative Procedure Act to present such evidence.

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

6. During the two year period, Respondent shall not serve as the designated broker at any corporate real estate broker unless and until Respondent is the owner of record of all of the controlling shares of the corporation.

II.

Pursuant to Business and Professions Code Section 10148, Respondent shall pay the Commissioner's reasonable cost for the audit which led to this disciplinary action. The cost of the original audit which led to this disciplinary action is \$5,206.00. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work.

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

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

III.

All licenses and licensing rights of Respondent are indefinitely suspended from the effective date of the Decision unless or until Respondent pays the sum of \$547.80 for the Commissioner's reasonable cost of the investigation and enforcement which led to this disciplinary action. Said payment shall be in the form of a cashier's check or certified check made payable to the Department of Real Estate, Real Estate Fund.

IV.

Proof of compliance with the following conditions shall be made within six (6) months from the effective date of this Decision. As a further condition for the Commissioner to enter into this Stipulation], Respondent shall make a diligent effort to locate and repay \$15,500.00 to the borrowers set forth in the tables below within six (6) months from the effective date of this Decision. (1) Respondent shall mail the payment(s) by certified mail, return receipt requested, to the borrower(s) last address on file with or known to Respondent. (2) If any of the payment(s) are returned by the Post Office marked "unable to deliver," Respondent shall employ a locator service (that may include or be limited to the Internet or other database retrieval search)

to try and locate the aforesaid borrower. Repayments shall then be made to the addresses recommended by the locator service. (3) If unable to effect repayment after using a locator service, Respondent shall provide reasonable proof satisfactory to the Commissioner of his efforts to comply with the provisions of this paragraph. (4) If the Commissioner determines that proof to be unsatisfactory, the Commissioner shall so advise Respondent, and indicate what additional reasonable efforts should be made to make repayment to a borrower. (5) If the Commissioner determines that reasonable efforts have been made to locate the borrower without success, said monies shall escheat to the State of California. (6) If the Commissioner determines that proof to be unsatisfactory and that reasonable efforts have not been made to locate the borrower, the Commissioner may, by separate order, suspend Respondent's license until such proof is obtained or until Respondent enters into a separate agreement satisfactory to the Real Estate Commissioner.

Table: Restitution to Loan Modification Borrower- Applicants

Borrower	Advance Fees Collected
Hun W.	\$3,500
Brandon O.	\$3,500
Claudia M.	\$3,500
Mike/Erica V.	\$3,500
Oanh N.	\$1,500
Total Restitution Due	\$15,500

V.

All proof of compliance required by this Order, shall be sent to the attention of

Elliott Mac Lennan, Counsel, Legal Section, Department of Real Estate, 320 W. Fourth St., Suite 350, Los Angeles, California 90013-1105.

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DATED: 12-18-12

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ELLIOTT MAC LENNAN, Counsel for Department of Real Estate

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EXECUTION OF THE STIPULATION

I have read the Stipulation and Agreement. 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 facsimile number: Elliott Mac Lennan at (213) 576-6917.

Respondent agrees, acknowledges and understands that by electronically sending to the Department a fax copy of Respondent' actual signature as they appear 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: 12-14-12

RAULMUNOZ,

Respondent

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26 27 DATED: 12-14-12

KURT ELKINS, ESQ.

Attorney for Respondent

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² .	DATED:	
·	Department of Real Estate	
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9	11509 and 11513 of the Government Code), and I willingly, intelligently and voluntarily waive	
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12	Accusation at a hearing at which I would have the right to cross-examine witnesses against me	
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20	Department had received the original signed Stipulation.	
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22	DATED:	
23	RAUL MUNOZ, Respondent	
24		
25		
26	DATED:KURT ELKINS, ESQ.	
	Attorney for Respondent	

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to

Respondent RAUL MUNOZ and shall become effective at 12 o'clock noon on

OCT 0 8 2015

IT IS SO ORDERED SEPTEMBER 9 , ZOIJ

WAYNE S. BELL Real Estate Commissioner

By: JEFFREY MASON Chief Deputy Commissioner