

1 Department of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013-1105

FILED

DEC 10 2013

4 (213) 576-6910

BUREAU OF REAL ESTATE

By *J. Demus*

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * *

11)	DRE No: H-38449 LA
12	In the Matter of the Accusation of)	OAH No: 2012110465
)	
13	G & G FINANCIAL GROUP, INC and)	<u>STIPULATION AND</u>
	GEORGE GALLARDO, individually,)	<u>AGREEMENT</u>
14	and as designated officer)	
	of G & G Financial Group, Inc,)	
15)	
	Respondents.)	
16)	
)	

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18 It is hereby stipulated by and between Respondents
19 G&G FINANCIAL GROUP, INC and GEORGE GALLARDO, represented by
20 Frank M. Buda, Esq., and the Complainant, acting by and through
21 James A. Demus, Counsel for the Department of Real Estate, as
22 follows for the purpose of settling and disposing of the
23 Accusation filed on October 10, 2012, in this matter:

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

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

9 3. Respondents timely filed a Notice of Defense
10 pursuant to Section 11506 of the Government Code for the purpose
11 of requesting a hearing on the allegations in the Accusation.
12 Respondents hereby freely and voluntarily withdraw said Notice of
13 Defense. Respondents acknowledge that they understand that by
14 withdrawing said Notice of Defense they thereby waive the right
15 to require the Commissioner to prove the allegations in the
16 Accusation at a contested hearing held in accordance with the
17 provisions of the APA and that they will waive other rights
18 afforded to them in connection with the hearing such as the right
19 to present evidence in their defense of the allegations in the
20 Accusation and the right to cross-examine witnesses.

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

4 5. This Stipulation is made for the purpose of
5 reaching an agreed disposition of this proceeding and is
6 expressly limited to this proceeding and any other proceeding or
7 case in which the Department of Real Estate ("Department"), the
8 state or federal government, or any agency of this state, another
9 state or federal government is a party.

10 6. It is understood by the parties that the Real
11 Estate Commissioner may adopt this Stipulation as his Decision in
12 this matter thereby imposing the penalty and sanctions on
13 Respondents' real estate licenses and license rights as set forth
14 in the "Order" herein below. In the event that the Commissioner
15 in his discretion does not adopt the Stipulation, it shall be
16 void and of no effect and Respondents shall retain the right to a
17 hearing and proceeding on the Accusation under the provisions of
18 the APA and shall not be bound by any stipulation or waiver made
19 herein.

20 7. The Order or any subsequent Order of the Real
21 Estate Commissioner made pursuant to this Stipulation shall not
22 constitute an estoppel, merger or bar to any further
23 administrative or civil proceedings by the Department of Real
24 Estate with respect to any matters which were not specifically
25 alleged to be causes for Accusation in this proceeding but do
26 constitute a bar, estoppel and merger as to any allegations
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1 actually contained in the Accusation against Respondents herein.

2 8. Respondents understand that by agreeing to this
3 Stipulation, Respondents agree to pay, pursuant to Business and
4 Professions Code Section 10148, the cost of the audits which led
5 to this disciplinary action. The amount of said cost is \$8,610.

6 9. Respondents have received, read, and understand the
7 "Notice Concerning Costs of Subsequent Audit." Respondents
8 further understand that by agreeing to this Stipulation, the
9 findings set forth below in the Determination of Issues become
10 final, and the Commissioner may charge Respondents for the cost
11 of any subsequent audit conducted pursuant to Business and
12 Professions Code Section 10148 to determine if the violations
13 have been corrected. The maximum cost of the subsequent audit
14 will not exceed \$8,610.

15 DETERMINATION OF ISSUES

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

18 I.

19 The conduct of G&G FINANCIAL GROUP, INC and GEORGE
20 GALLARDO as described in Paragraph 4, hereinabove, is in
21 violation of Business and Professions Code Sections 10145 and
22 10085.6 and provides a basis for discipline of their licenses and
23 license rights pursuant to Business and Professions Code Section
24 10177(d).

25 ORDER

26 WHEREFORE, THE FOLLOWING ORDER is hereby made:
27

1 I.

2 A.

3 All licenses and licensing rights of Respondent G&G
4 FINANCIAL GROUP, INC under the Real Estate Law are suspended for
5 a period of ninety (90) days from the effective date of this
6 Decision; provided, however, that ninety (90) days of said
7 suspension, shall be stayed for two (2) years upon the following
8 terms and conditions:

9 1. Respondent shall obey all laws, rules and
10 regulations governing the rights, duties and responsibilities of
11 a real estate licensee in the State of California; and

12 2. That no final subsequent determination be made,
13 after hearing or upon stipulation that cause for disciplinary
14 action occurred within two (2) years of the effective date of
15 this Decision. Should such a determination be made, the
16 Commissioner may, in his discretion, vacate and set aside the
17 stay order and reimpose all or a portion of the stayed
18 suspension. Should no such determination be made, the stay
19 imposed herein shall become permanent.

20 B.

21 Pursuant to Section 10148 of the Business and
22 Professions Code, Respondent shall pay the Commissioner's
23 reasonable cost for: a) the audit which led to this disciplinary
24 action and b) a subsequent audit to determine if Respondent has
25 corrected the trust fund violations found in the Determination
26 of Issues. In calculating the amount of the Commissioner's
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1 reasonable cost, the Commissioner may use the estimated average
2 hourly salary for all persons performing audits of real estate
3 brokers, and shall include an allocation for travel costs,
4 including mileage, time to and from the auditor's place of work
5 and per diem. Respondent shall pay such costs within 60 days of
6 receiving an invoice from the Commissioner detailing the
7 activities performed during the audit and the amount of time
8 spent performing those activities. The Commissioner may, in his
9 discretion, vacate and set aside the stay order, if payment is
10 not timely made as provided for herein, or as provided for in a
11 subsequent agreement between the Respondent and the
12 Commissioner. The vacation and the set aside of the stay shall
13 remain in effect until payment is made in full, or until
14 Respondent enters into an agreement satisfactory to the
15 Commissioner to provide for payment.

16 C.

17 Respondent G&G FINANCIAL GROUP, INC shall, within six
18 (6) months from the effective of the Decision herein, provide
19 proof of attempting to pay restitution of \$1,620 to Inocencia
20 Medina; \$2,995 to Angelina Del Toro; \$1,000 to Maria Perez;
21 \$1,000 to Oscar Henriquez and \$4,500 to Ramon Velazquez
22 (hereinafter "clients") as follows:

23 (a) Respondent shall deliver or mail the restitution
24 payments, by certified mail, return receipt requested, to each
25 client's last address on file with or known to Respondent.

26 (b) If the payment is returned by the Post Office marked
27 "unable to deliver," Respondent shall employ a locator service

1 (that may include or be limited to the Internet or other database
2 retrieval search) to try and locate the client. Repayment shall
3 then be made to the addresses recommended by the locator service.

4 (c) If unable to effect repayment after using a locator
5 service, Respondent shall provide reasonable proof satisfactory
6 to the Commissioner of his efforts to comply with the provisions
7 of this Paragraph.

8 (d) If the Commissioner determines that proof to be
9 unsatisfactory, he shall so advise Respondent, and indicate what
10 additional reasonable efforts should be made to make repayment to
11 the client.

12 (e) If Respondent fails to satisfy this condition, the
13 Commissioner may order suspension of Respondent's license until
14 Respondent effects compliance herein; and

15 (f) Restitution payments not made to any of the clients
16 named above shall escheat to the State of California.

17 II.

18 A.

19 All licenses and licensing rights of Respondent GEORGE
20 GALLARDO under the Real Estate Law are suspended for a period of
21 ninety (90) days from the effective date of this Decision;
22 provided, however, that ninety (90) days of said suspension,
23 shall be stayed for two (2) years upon the following terms and
24 conditions:

25 1. Respondent shall obey all laws, rules and
26 regulations governing the rights, duties and responsibilities of
27 a real estate licensee in the State of California; and

1 Commissioner. The vacation and the set aside of the stay shall
2 remain in effect until payment is made in full, or until
3 Respondent enters into an agreement satisfactory to the
4 Commissioner to provide for payment.

5 C.

6 Respondent GEORGE GALLARDO shall, within six (6) months
7 from the effective of the Decision herein, provide proof of
8 attempting to pay restitution of \$1,620 to Inocencia Medina;
9 \$2,995 to Angelina Del Toro; \$1,000 to Maria Perez; \$1,000 to
10 Oscar Henriquez and \$4,500 to Ramon Velazquez (hereinafter
11 "clients") as follows:

12 (a) Respondent shall deliver or mail the restitution
13 payments, by certified mail, return receipt requested, to each
14 cleint's last address on file with or known to Respondent.

15 (b) If the payment is returned by the Post Office marked
16 "unable to deliver," Respondent shall employ a locator service
17 (that may include or be limited to the Internet or other database
18 retrieval search) to try and locate the client. Repayment shall
19 then be made to the addresses recommended by the locator service.

20 (c) If unable to effect repayment after using a locator
21 service, Respondent shall provide reasonable proof satisfactory
22 to the Commissioner of his efforts to comply with the provisions
23 of this Paragraph.

24 (d) If the Commissioner determines that proof to be
25 unsatisfactory, he shall so advise Respondent, and indicate what
26 additional reasonable efforts should be made to make repayment to
27 the client.

1 (e) If Respondent fails to satisfy this condition, the
2 Commissioner may order suspension of Respondent's license until
3 Respondent effects compliance herein; and

4 (f) Restitution payments not made to any of the clients
5 named above shall escheat to the State of California.

6 D.

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

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20 DATED: 11/12/13

James A. Demus
JAMES A. DEMUS, Counsel for
the Department of Real Estate

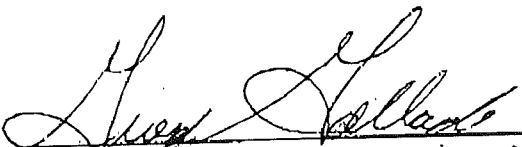
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EXECUTION OF THE STIPULATION

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

13 Respondents can signify acceptance and approval of the
14 terms and conditions of this Stipulation by faxing a copy of its
15 signature page, as actually signed by Respondents, to the
16 Department at the following telephone/fax number: James A. Demus
17 at (213) 576-6917. Respondents agree, acknowledge and understand
18 that by electronically sending to the Department a fax copy of
19 Respondent's actual signature as it appears on the Stipulation,
20 that receipt of the faxed copy by the Department shall be as
21 binding on Respondent as if the Department had received the
22 original signed Stipulation.
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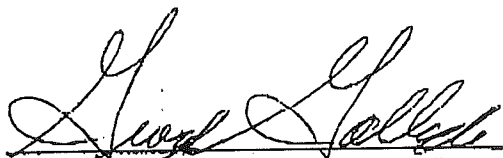
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25 DATED: 8/7/2013


26 GEORGE GALLARDO, as Designated
27 Officer of G&G FINANCIAL GROUP, INC

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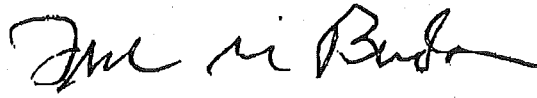
8/7/2013



GEORGE GALLARDO, Respondent

DATED:

9-26-13



FRANK M. BUDA
Attorney for Respondents

* * *

The foregoing Stipulation and Agreement is hereby adopted as my Decision as to Respondents G&G FINANCIAL GROUP, INC and GEORGE GALLARDO and shall become effective at 12 o'clock noon on _____, 2013.

IT IS SO ORDERED _____, 2013.

Real Estate Commissioner

Wayne S. Bell

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DATED: _____
GEORGE GALLARDO, Respondent

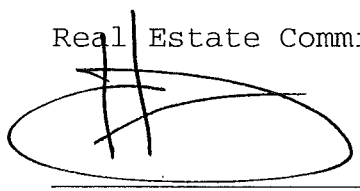
DATED: _____
FRANK M. BUDA
Attorney for Respondents

* * *

The foregoing Stipulation and Agreement is hereby
adopted as my Decision as to Respondents G&G FINANCIAL GROUP, INC
and GEORGE GALLARDO and shall become effective at 12 o'clock noon
on DEC 31 2013, 2013.

IT IS SO ORDERED NOVEMBER 27, 2013.

Real Estate Commissioner



By: JEFFREY MASON
Chief Deputy Commissioner